

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982

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Mr. Hohman said that Dr. Dafoe had indicated travel for regional councils would be about \$10,000 to \$15,000. He asked if it could possibly have a greater cost implication than this. Dr. Dafoe said this is possible, but he thought they could do it within this amount.

Mr. Wright asked how long it would take Anchorage to come close to duplicating the organizational "harangue" that they have at College. Dr. Dafoe answered quite a while. He said the Fairbanks campus is divided into six colleges and Anchorage is not going this route.

Senator Thomas left the meeting.

Mr. Wright said he did not think they were addressing themselves to the hierarchy that would come into existence very shortly. Discussion followed. Mr. Wright said he felt the intent is that the situation not stay "status quo."

Mr. Warwick asked that Senator Merdes comment on the bill. Senator Merdes said he had sent a letter to Mr. Hohman stating that he would like to testify with the consultants who prepared the study on Higher Education in Alaska.

Senator Merdes said this study had developed the fact that on the Fairbanks campus there is an individual who passes on the budgets and that it was impossible for this individual to evaluate the needs from other areas of the state. This bill would provide that the other areas of the state have direct input into the Board. The chancellor would be a coordinator but he would not have any powers to pass on these individual budgets. Senator Merdes stated that Southeast and South Central Alaska should have access directly to the Board of Regents. He said what he thought should be done is to make all chancellors presidents and call the rest provost. He added that one of the big criticisms of the study is that the areas do not have direct access to the Regents. Senator Merdes told Mr. Wright they would not get any more professionals than they would justify (by the appropriation decided by the legislature) but he felt the issue is whether or not the regional areas have input to the Regents.

Dr. Dafoe said he thought they could already do this under the present system. Senator Merdes said this is a direct conflict of interest issue in that no matter who the individual who determines the budget is it

Dr. Dafoe said that this bill, page 4, provides that the regional president have the authority to appoint other deans. They do not have final power at the present time.

Mr. Joe LaRocca entered the meeting.

Dr. Dafoe said in terms of travel for the regional council that he would put a price tag of \$10,000 to \$15,000 on this.

Dr. Dafoe said that comments for the community colleges on this said they did not see any great need to change the name of the assemblies and they felt they were trying to do what was suggested in the bill and they believe it need not necessarily be legislative.

Mr. Warwick said then Dr. Dafoe was suggesting this bill was not really needed -- the frame work is established now. Dr. Dafoe said he would "think so unless there is a burning desire to change titles".

Dr. Dafoe said he did not think titles were important but he thought they had to have a way for people to participate with policy making. He said perhaps there is a feeling that some of them have not worked hard enough to do this. He said he had expressed the feeling that the community college directors had not been given enough opportunity to express themselves. He stated that he had assumed the responsibility of a liaison and had tried to give them an opportunity for more input than they have had.

Mr. Wright said he thought the intent behind HOUSE BILL 603 is really to decentralize -- take away the veto power and he thought this was desirable.

Mrs. Isaacs, advisory member for the Juneau Douglas Community College, stated that the non-professional employees of the University needed a means of representation. Dr. Dafoe said this group had come in with recommendations and they were adopted almost in toto.

Mr. Degnan asked how the advisory boards are chosen. Dr. Dafoe said they are appointed by the President; however, the President asks for suggestions from people in the communities.

Mr. Wright asked if the community colleges rejected the regional councils in HB 603. Dr. Dafoe said no but they indicated they shared the view that when you legislate detail they may be "locking themselves in".

would be impossible for him to be impartial. Senator Butrovich said he did not like to argue with the study but for 20 years the President of the Board of Regents has been from Anchorage as well as a majority of the Regents. He said if there has not been sufficient input it is the fault of the Board.

Senator Butrovich agreed with Mr. Wright saying they have to have a "super chief" -- there has to be a final authority. Discussion followed on this.

In answer to Mr. Fink, Dr. Dafoe said what he was saying is that he questioned the need to legislate this as it can be done within the present system.

HB 604 Mr. Hohman suggested that the committee move on to HOUSE BILL NO. 604 (an Act relating to the Board of Regents of the University of Alaska). This bill has to do with term of office. Dr. Dafoe said he had not discussed this personally with the Board of Regents and could not give the committee their input. He felt this was a question of judgment.

HB 605 HOUSE BILL NO. 605 (An Act relating to the meetings of the Board of Regents of the University of Alaska). Dr. Dafoe said he could see no problems with this bill and had no objections to it.

HB 606 HOUSE BILL NO. 606 (an Act relating to the Community College Act). Dr. Dafoe said he had no particular objection to this; however, he felt they were trying to do everything that is proposed in the bill.

Senator Josephson left the meeting.

In answer to Mr. Wright, Dr. Dafoe said he had started working with the community college directors this fall. He said he had not personally met with the full committees but talked to the chairman of each committee. He added that he felt the community college directors were involved much more now than they were a year ago.

Recess: The committee recessed at 2:55 p.m.

AFTER RECESS

3:15 p.m.

PRESENT All members except Mr. Ditman. Senators Butrovich, Poland, Merdes and Thomas were also present. Max McGaughey, Alaska Methodist University; John Picten, Alaska Methodist University; Orin Strattan, Sheldon Jackson College; Don Dafoe, University of Alaska VP for Public Services; and Mrs. Julie Issac were also present.

Chairman Hohman called the meeting back to order and asked Dr. Dafoe to continue his comments.

HB 607 Dr. Dafoe said that HOUSE BILL NO. 607 (Allocation of legislative appropriations by University of Alaska) provides that the funds appropriated may not be transferred from one account to another by more than 5%. He thought that it could be limiting if the need came up to transfer 15%, and he suggested consideration be given to limitation subject to approval of a higher agency such as the Governor or Budget and Audit Committee.

HCR 19 & 26 Dr. Dafoe said that HOUSE CONCURRENT RESOLUTIONS 19 & 26 tied in with institutional studies. In HCR 19 he was using the Oklahoma Model, and the figures basically came from this. The reaction to this was that it was basically a good idea, and it should be developed and worked on. He pointed out one appropriation further down in the resolution at the bottom of page 3. He said that the budget request units are actually the budget request units on which the budget was submitted.

Referring to page 2 he said that they had already made changes for the 71-72 fiscal year, so they actually were considering the budget for 72-73 and 73-74. He thought that they actually meant to say in the bill that they were to make planning for 72-74 budgets. He thought all of them thought this was a good idea and should be done, and that it was going to have to be done. Both 19 and 20 depend on having a well organized and well staffed institution of studies and planning. They are not well staffed at the present time.

HCR 20 Dr. Dafoe said that HOUSE CONCURRENT RESOLUTION 20 referred to the retirement process. He said that the regents would be glad to review as the resolution suggests that they review. The present retirement act calls for mandatory retirement at age 65. This calls for study and review which he presumed the regents would instruct them to do.

HCR 21 HOUSE CONCURRENT RESOLUTION 21 calls for the establishment of a graduate school at the University. It really means establishing graduate colleges at Anchorage and Fairbanks. This question has been reviewed several times. He said to remember that only Alaska and Hawaii had comparable set-ups in higher education.

He said that the Northwestern Accrediting Association in 1964 and 1967 had raised questions as to whether or not there should be a graduate school and in both cases it had been decided not to. He said there was no harm in looking at the present set-up they had with research institutions doctorate programs carried out under RES. Mr. Dafoe thought however, they would be looking at a significantly higher cost per pupil.

HCR 22 HOUSE CONCURRENT RESOLUTION 22. Dr. Dafoe referred to the three papers they were required to make on (1) community colleges, (2) research, and (3) on financial aids.

He pointed out that the bulk of funding for research came from NSF. The bulk of research national agencies will buy-- they tell you. He explained that the paper told several different approaches and points out the necessity for the state to focus on what it wants researched.

HCR 23 HOUSE CONCURRENT RESOLUTION 23 related to community colleges and University of Alaska campuses in Anchorage and Fairbanks. It requests that they recognize community colleges as part of the University at that location. Frankly, he thought this was what they had, so he was not clear on intent. Mr. Hall from Legislative Affairs who had drafted the bill said that the intent was to do away with duplication in the Registrar's Office and the Business Manager's Office. Dr. Dafoe said to that extent it would probably be a help administratively.

HCR 24 HOUSE CONCURRENT RESOLUTION 24 related to the location of the central office of the University of Alaska. It calls for a study of possible alternative sites, and he said the Board of Regents would be happy to do this. He said they had had some discussions on this, but they hadn't been able to concur with the idea of the first step--for example, what they were going to move. He thought they were talking of about \$40,000. He said he could see that a legislative temporary move would ensure the study would be made. He added that the Community College Directors said they could care less where it is.

HCR 25 Dr. Dafoe said that HOUSE CONCURRENT RESOLUTION 25 was for a study of vocational education. He didn't think anybody could object to a study. Basically speaking they would favor having a division of Vocational Education operating under the University System. Hawaii is doing it so there is precedent in at least one state.

HB 636 Mr. Warwick asked about HOUSE BILL NO. 636 which recommended putting the community college system under the Department of Education. Dr. Dafoe didn't really think it would accomplish anything. First of all there would be the problem of accreditation.

He referred to the Starcher report which promoted the concept of the tie-in between the community colleges and the local school systems. He said this was unique in Alaska. He said that when looking at community colleges in a total program, they could take the budget that comes into the state and could have total reporting on the community colleges. He said that program budgeting provided the mechanism for total reporting.

HB 606

HOUSE BILL NO. 606 (Relating to the Community College Act) was an amendment to the State Constitution. Dr. Dafoe said that if the titles needed to be changed except for the President they could be changed by mere action of the Board. He said that if the people felt strongly about it, he didn't think it mattered.

HCR 25

HOUSE CONCURRENT RESOLUTION NO. 25. Mr. Haugen asked where Dr. Dafoe thought the campuses on vocational education should be, and Dr. Dafoe didn't believe in separate institutions, but he thought that one of the reasons he liked the community college set-up they had was because they could get good program coordination between the high school and community college.

Chairman Hohman turned the chair over to Mr. Warwick and left the meeting.

HB 549

Mr. Warwick said that he was interested in bills relating to tuition grants. He said it was the concern of the Finance Committee to implement a system that was going to work. He referred to HOUSE BILL NO. 549 (Providing for tuition grants to students attending institutions of higher education in Alaska)

HB 608

HOUSE BILL NO. 608 (providing for tuition grants to students attending institutions of higher education in Alaska).

Dr. Pietsen felt the bills were written with the intent of assistance to students. It gives them a choice as to the institution they can go to. Indirectly, Sheldon Jackson and AMU would benefit. Since both are a little under capacity as far as enrollment is concerned, this would give them a chance to raise their enrollment and put them in a better financial situation. He said that enrollment at the end of last semester was 525 full-time equivalency and 423 full-time students. He said that as he read the bills they only applied to full time enrollments.

Presently tuition is \$1500 for the year. Last November they decided to raise it to \$2250 for the year. This will be effective next fall.

He said that enrollment last year (70-71) was 557 full time equivalency and 446 full time students, so they had slight drop but actually increased in full time equivalency.

He explained that total enrollment was 940. The projection for next year is 600 full time equivalency, if they get the tuition equalization for these fully funded, it was realistic to anticipate 550 full time students. If it is not passed, they hope to maintain where they are.

He said they had a capacity for 800 and if they reach it, they would probably have to add 2 or 3 more staff members.

Dr. Picten said that estimated revenues from tuition was \$600,000 This would be about 30% of their budget.

Mr. Warwick asked if this took into consideration the memorandum of agreement where they were going to sell to the University of Alaska 195 acres. Dr. Picten said that the transfer of land would permit them to pay off the debt they have with the banks and provide them with sufficient operating funds from now until the end of the fiscal year and give them \$400,000 to \$500,000 to start endowment to stabilize it to allow them to operate on a sounder financial basis.

Dr. Picten said that under the new tuition rates if they have about 600 students it means they are going to have about \$1.3 million or \$1.4 million coming in in tuition. He explained they had another \$100 dollars added on to each student's tuition for student fees.

He explained that there were some thing they were assuming, such as having approximately the same amount in the way of federal grants etc. They anticipate \$200,000 from church sources and \$300,000 from other private foundations. Their tuition will bring in \$1.4 million and their overhead is \$100,000 and there is \$200,000 in fees and other costs. He said their operating budget is about \$2 million.

Dr. Picten did not expect to operate at a deficit if he could help it.

Mr. Warwick asked the operating budget spent last year, and Dr. Picten said that their actual expenditure was \$1,706,474. They had to borrow to meet some of this, so they were in the red.

Mr. Fink asked if there were any other loans. Dr. Picten said there were long term building bonds paid out primarily on revenue from the buildings. He said that they had one bank one for \$573,000 and postponed payment on a group of other obligations for an actual total of \$815,000.

He said that in order to finance this year and carry them through the semester, if they got no further income, it would take another \$700,000 between now and next September.

Mr. Warwick asked about the Consorting Agreement, and Dr. Picten said that they were sharing classrooms with the U. of A. at Anchorage, and they were sharing costs. He said that one of the things they were thinking of was combining the psychology departments and psychology lab to be used by both institutions.

Mr. Wright asked the full cost per student, and Dr. Picten said there was a \$3100 student cost. He felt this was low and thought they were going to have to increase this, particularly when they go to full time staff.

Mr. McGaughey said that this year they had requested to be permitted to use funds in the sinking fund to pay their debts. They anticipate approval, but haven't received it yet.

Sen. Merdes said that HB 609 met all constitutional requirements in letting a private institution raise tuitions to get more money from the State. Then you pay the private institution the difference between what it costs the State. He said his committee had serious doubts about HB 549.

Mr. Fink asked if cost included debt service, and Senator Merdes said no.

Mr. Warwick asked if other states had tuition equalization, and Sen. Merdes said that at the present time 9 other states did.

Mr. Warwick asked if McGaughey could find out the formula for them, and Mr. McGaughey said he would.

Sen. Merdes said he was convinced they couldn't give private schools the right to raise tuition unilaterally to get more money, and the Governor's bill (HB 549) does that. Sen. Merdes said if it was tied into cost they would save.

Mr. Fink asked Mr. Merdes if his committee had considered a tuition differential for Alaskan residents wherever they went to school--whether outside the state or not. Sen. Merdes said they hadn't considered it seriously, but it was something that should come under serious consideration.

In answer to a question from Mr. Fink regarding the 142 acres, Dr. Picten said that about two or three years ago they had made a decision relative to the Consorting Agreement. Included in this was the actual transfer of 17 1/2 acres for construction of a library site. Along with that consorting went at least a total of 160 acres of AMU land to U. of A. for a site for a campus, so 17 1/2 acres from 160 comes to 142 1/2 acres.

Mr. Fink couldn't understand why AMU would get 300 acres and the U. of A. only 270 acres when it was the state university which was going to do most of the building. Mr. Picten said that the U. didn't feel that some of the land was prime building site. He said they also had to realize that any state organization such as the University could obtain additional land as they needed it.

Mr. Strattan from Sheldon Jackson said there was only ^{one} thing their institution was asking from the State and that was for a fair competitive chance to compete for students who want to stay in Alaska. The private school is at a disadvantage because the student has to pay more to go. He said that students will inevitably take the cheaper institution. He said that the type of students they were attracting didn't have the money, but BIA was helping them. However, he thought there were other students in Alaska who could benefit from their school.

Mr. Strattan recommended strongly that if the legislature passed the tuition equalization that they did not make it retroactive, since the only thing that will help them is if they can go out now and tell people that if they come to their school next year they would get this tuition equalization.

Mr. Strattan said that they have been increasing their student body by 35-40% over the past few years. They are aiming at 300 students within the next 5 years.

Mr. Warwick asked Dr. Dafoe if the U. of A. had assessed land needs in Anchorage. Dr. Dafoe said he was not in on the discussion, but he knew that it was in the area of 200 to 500 acres. He said he would get that information for them.

Mr. Fink said he would like to have a comment from AMU as to whether or not they would be willing to sell more land. Mr. Picten rather doubted they would be willing to part with any more acreage because this would wipe out any chance for expansion.

Mr. Warwick asked Mr. Picten to come up with a position on this as soon as possible.

Mr. Fink asked who was involved with the negotiations, and Mr. Picten said that the negotiations were between: the Board of Regents and Dr. Wood, the Attorney General, the subcommittee, AMU and himself. He added that the Board of Regents and Dr. Wood weren't actually present for the 2nd agreement.

Mr. Fink suggested calling the Attorney General in and having him write a new agreement.

ADJOURN Meeting adjourned at 6:15 p.m.

HOUSE FINANCE COMMITTEE
February 18, 1972
10:50 a.m.

Present: All members.

HB 526 Chairman Hohman called the meeting to order and said the committee would consider HOUSE BILL NO. 526 (appropriating to the Legislative Affairs Agency).

The committee went through each memorandum that had been furnished by Mr. Elliott on this supplemental and discussed each item in detail.

After consideration, the committee decided to have a committee substitute prepared for a total of \$191,500. Breakdown as follows:

\$54,800 - E. L. McLean and Associates in full payment for contractual services on the study of Higher Education authorized by SCR 26.

\$30,000 - Walter J. Levy and Associates due March 1, 1972 per new contract providing for certain oil and gas consulting services.

\$36,300 - Additional funding required to pay temporary employees of the legislature for 90 days.

\$5,000 - Additional amount required to fund both legislative reporting services.

\$7,500 - Funds interim secretarial service expenditures for Chairman of the Legislative Council and Speaker of the House.

\$9,400 - Payments to Michie Company for higher than anticipated statute publication cost.

\$3,000 - Rental of the Cooper Building for 90 days.

\$5,000 - Rental of magnetic card selectric typewriters for the legislative session.

\$30,000 - Committee travel expenses for members of standing committees during current legislative session.

\$10,500 - Miscellaneous additional expenses of the legislature.

The committee considered the additional \$57,500 for E. L. McLean and Associates. According to the memo from Mr. Elliott this is the amount determined by the Legislative Council to continue to retain McLean and Associates on a contract basis after February 1 to follow up on the agreement reached between Alaska Methodist University, the University of Alaska, and the State, as well as to follow up on the implementation of the report to be presented to the legislature relative to higher education in Alaska.

After much discussion, the committee decided to introduce a resolution on this continuation of the study.

Mr. Ditman moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 526 be adopted in lieu of HOUSE BILL NO. 526 and that it be reported out with a "do pass" recommendation. Mr. Fink objected. So COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 526 passed from committee with 5 "do pass" recommendations (Mr. Fink voting "do not pass" and Mr. Haugen voting "no recommendation").

HCR 38 Mr. Ditman moved that a Finance resolution on continuing coordination of higher education policies and programs in Alaska be passed from committee with a unanimous "no recommendation" vote. No objection, so ordered. (this became HOUSE CONCURRENT RESOLUTION NO. 38)

Recess: The meeting recessed at 11:45 a.m.

AFTER RECESS
1:50 p.m.

Present: All members except Mr. Ditman. Dr. Dafoe, Dean Short, Dr. Moyer (Director Planning, Univ. of Alaska), Mrs. Isaacs, Dr. Stratton, Dr. McGaughey, Dr. Picton, Nat Goodhue (Parks and Recreation Council of Anchorage), and Senator Merdes were also present.

Chairman Hohman called the meeting to order and said the committee would continue discussion on the concerns of higher education in Alaska.

HCR 19

Chairman Hohman requested that Dr. Moyer testify on **HOUSE CONCURRENT RESOLUTION NO. 19** (relating to budgetary procedures of the University of Alaska).

Dr. Moyer said they have begun research on this kind of procedures. They have looked at what other states are doing, particularly New Mexico, Florida and Oklahoma.

Dr. Moyer said they are looking at a tentative budget of \$40,000 to get a start on this procedure. After the first initial year he said they feel this can be reduced. He said other states have used this formula procedure with a great deal of success and they feel it would be a good thing for the University of Alaska to go on a systematic process of allocating resources.

Mr. Wright questioned why they did not use the State of Washington in their research on other states. He said that Mr. Martini had used this example in a presentation he had given the year before.

Mrs. Banfield entered the meeting.

Mr. Warwick asked why they did not use this system now and Dr. Moyer said he felt they could use it for the next year's budget.

Dr. Moyer said if this resolution becomes law it will be a big project and they have not had the staff to implement this. He said this concept has not been investigated until recently.

Dr. Moyer said that in Oklahoma the assembly recommends a lump sum to the legislature and if

this amount is cut 5 per cent then all institutions are cut 5 per cent. This is a simplicity approach and Dr. Moyer said that Florida has a similar method. Dr. Moyer said they had investigated the systems that WICHE is presently doing and had tried to pull them all together.

Mr. Warwick pointed out that if the University's request is cut as much as 30 per cent (which was the case last year) this system would not work as some areas could not be cut this much. Dr. Moyer said that on a good formula system they will be on the "bed rock of needs". Discussion followed.

Mr. Wright said the reason he would like to see the model for the State of Washington brought into this investigation is because Washington funds about 75 per cent. Discussion followed.

Mr. Fink asked if Dr. Moyer was telling the committee that they plan to do what is indicated in HCR 19. Dr. Moyer said they are looking at systems and plugging in data to take a look. It takes money to put this into the computer system and to go into the field and work with the community colleges. Dr. Moyer said they have not done this yet as they do not have the needed \$40,000 in their budget.

Mr. Wright questioned the number of students per professor. Dr. Moyer said there are many variables. He said it would depend on the philosophy and the quality they feel they should have. Discussion followed. Mr. Wright said there are charges that the quality is not really there (University of Alaska).

Mr. Degnan left the meeting.

Dr. Moyer said that quality is not just based on the size of classes but on faculty quality and many other factors.

HCR 26

Dr. Moyer spoke on HOUSE CONCURRENT RESOLUTION NO. 26 (relating to a study of the future needs and priorities of the University of Alaska). This resolution resolves that the Board of Regents appoint a statewide committee composed of major administrative personnel, faculty from the various colleges etc. and Dr. Moyer said the cost would depend on the size of the committee. He said if this is a 21 member committee and if they hold at least six major meetings a year then this cost

according to their estimate would be about \$80,000.

Dr. Moyer said they are developing the beginnings of a data base and distributed a booklet entitled "Planning Information". He gave a brief explanation of the contents of this booklet.

In answer to Mr. Wright, Dr. Moyer said the current enrollment on the Senior Campus (in Anchorage) is close to 3,000. Mr. Wright said the budget document indicates this is 2,300. Dr. Moyer said the enrollment for the spring semester is 2,146.

Mr. Warwick asked about the amount of acreage needed. Dr. Moyer said that looking at 15,000 full time equivalent students for the Senior Campus they have to think in terms of 70 acres of building space and then they have to have 2 1/2 times that for supporting services. He added they are projecting for 1980-81 the Senior Campus will be up in the area of 6,700 students.

In answer to Mr. Warwick, Dr. Moyer said if they take the 197 acres that AMU has offered to share this could possibly get them through 1990 but at that time they would be hard pressed for development.

Dr. Moyer said he thought the present policy of the Regents is that they would like to see only one Senior Campus in the Anchorage area.

Dr. Moyer said there is a dilemma about the size of campuses, and the feeling that much of the unrest comes from a large campus. He said the Planning Commission feels there is a direct relationship between campus size and unrest. Discussion followed.

Mr. Hohman left the meeting.

Mr. Joe LaRocca entered the meeting.

In answer to Mr. Fink, Dr. Moyer said that if the Community College in Anchorage doubles between 1980 and 1990 they would be very hard put for land to develop their facilities to accomodate anything like 20,000 fte students.

The committee discussed whether it would be better to have more than one campus in Anchorage.

Mr. Fink asked if they had all the access they needed would Dr. Moyer agree it would be cheaper to have one campus. Dr. Moyer said yes. The committee discussed this and Mr. Fink said it looked like they were talking about more cost if they had more campuses. He said he thought they should have more study on this.

Representative Banfield and Senator Merdes left the meeting.

Mr. Wright questioned Dr. Moyer on the University's projections. He said he thought it was a fallacy to project on only the Anchorage population.

Recess: The committee recessed at 3:10 p.m.

AFTER RECESS

3:40 p.m.

HB 609

Dr. Moyer spoke on HOUSE BILL NO. 609 (an Act providing for the issuance of general obligation bonds in the amount of \$40,050,000 for the purpose of paying the cost of capital improvements for the University of Alaska). He distributed a summary sheet on the 1972-73 Capital Program Requests for the University of Alaska.

The summary showed \$350,000 for the Revolving Planning Fund and Dr. Moyer said one of their major problems is the lead time necessary to get a building planned and ready for construction. He said they are "now talking almost three years of lead time".

Dr. Moyer said for the Northern Region College Campus there is \$1,500,000 for building safety and use improvements for McIntosh Hall, Nerland Hall, Stevens Hall, Lathrop, Patty Gymnasium, Chapman Building and Bunnell. He explained the problems they have with plumbing, heating and ventilation.

There is \$7,500,000 for general classroom and lab building for the Northern Region College Campus. Mr. Fink said if they did not build any more buildings how many students could they handle. Dr. Moyer said with the new general classroom they could get through 1974-75. He said he could not answer this precisely because it is a problem of scheduling. Mr. Warwick said they had heard they could double the number of students with the existing facilities.

Dr. Moyer said he was sure they could take more students but he did not know if they could actually double their enrollment. After a brief discussion, Mr. Degnan requested that Dr. Moyer provide the committee with a statement of how many square feet of space is needed for College and also for the campus at Anchorage.

Mr. Fink asked if they had lowered their projection figures for College based on the development that is going to happen in Anchorage. Dr. Moyer said they felt one of the major factors is dormitory space and this is only available at College.

Mr. Fink asked how many students from Anchorage are attending the College campus. Dr. Dafoe said he thought this was about 309 students. In answer to Mr. Wright, Dr. Dafoe said there are about 700 students from Fairbanks who attend the College campus.

Mr. Fink said if they follow the pattern of the Governor and also the Legislative Council they would build more in Anchorage and none in Fairbanks. He asked if this would change these projections. Dr. Moyer said that right now the dormitories are full and that next fall they will be 200 beds short. If this is not provided, they will have to limit enrollment (at College).

Mr. Fink questioned how many of the 300 Anchorage students now attending the College campus would stay in Anchorage if the facilities were expanded. Dr. Moyer said he thought these students want to live on a college campus away from home and if College is the only campus that will provide this they would still go there. Mr. Fink said he felt if they build in Anchorage more Anchorage students would attend. He said he suspected that student enrollment in Anchorage would go up substantially even without dormitory facilities. Dean Short said that many of the Anchorage students are going to College to take upper division classes.

Mr. Degnan asked if there were any statistics on where the high school students in Alaska attend college. Dr. Moyer said this is very difficult to say. Mr. Stuart Hall backed up this statement by saying the Commissioner of Education does not have any good statistics on what happens to high school students in Alaska.

Mr. Moyer referred to national statistics which indicated that Alaskans who stay in Alaska to go to college is exceedingly low compared to the national figures.

Mr. Fink said according to the graphs on the main campus it is assumed that there is no negative effect by the growth of the Anchorage campus.

Mr. Warwick said it seemed there is presently a shortage of dormitories in Fairbanks and asked why they were building more classrooms and not dormitories. Dr. Moyer referred to item 4 of the capital program request summary which requested \$5,000,000 for student housing. Mr. Warwick asked if this would fulfilled this deficiency. Dr. Moyer said they need 200 beds for next fall and there will be another shortage in three years.

Dr. Moyer noted there is \$550,000 for the completion of the Recital Hall in the FA Building and the committee discussed this.

There is \$5,500,000 for the field house and physical education center and Mr. Wright said he understood this will be big enough for a football field. Dr. Moyer said this is right but it will not be too costly per square foot.

There is \$2,000,000 for the Alaskan Native Cultural Center and Mr. Warwick asked if there had been any negotiation with outside sources for this Center. Dr. Moyer said that Fleishman funds had been approached but this fund is interested in operation only and not the building.

Mr. Haugen asked where the decision was made to locate the Marine Science Center in Anchorage. Dr. Moyer said this had gone through the Board of Regents. Mr. Haugen expressed concern for this decision and noted that the cities of Douglas and Juneau had donated land based on the location of this center in Juneau.

Mr. Haugen requested that the staff write a letter to the President of the University and the President of the Board of Regents asking why the decision was made to locate this Center in Anchorage. Mr. Haugen noted the agencies in Juneau and said he could not understand how this could be located in Anchorage. Mr. Warwick asked if the University

concluded in this and Dr. Moyer said yes, there is a report on this which indicates that the Marine Science people feel they should do broad basic research in fisheries and it is the feeling this Center has to be located in a major campus development.

Mr. Haugen requested that Dr. Donald Hood be asked to appear before the committee on this subject in the near future.

Mr. Fink asked if the projects listed are to pick up support for their budget or does education really need them. Dr. Moyer said he felt they could defend what they have requested.

The committee discussed the Sitka Community College, Phase I request -- \$1,000,000. Mr. Haugen noted there is not much of a population change in Sitka. He said that his community enjoys this college but perhaps it would be better for these students to go to a full time community college in Juneau or Anchorage and get a broader curriculum. He felt they should look at this picture in total.

Dr. Moyer said they will be dealing with the figure of 540 by 1980 for the Sitka Community College. Dr. Stratton said he could not believe these figures unless they were talking about everyone who goes to the gym. Dr. Moyer said he was including non-credit courses. He said there is a need to develop marketable vocational/technical skills.

Mr. Hall reported on a recent hearing held in Sitka and stated there is a certain breakdown of communication between the community college and Sheldon Jackson.

Dr. Stratton said they support this new building but noted for Sheldon Jackson to take any other position would be "absolute suicide".

There is \$250,000 for the Southeastern Region Building at Auke Lake and Dr. Moyer said they are looking at several sites in this area.

Mr. Warwick summed up the requests that the committee would like Dr. Moyer to provide -- a report on square footage at the main campus to be broken down by administrative, research, classrooms and other appropriate areas.

Mr. Nat Goodhue, Parks and Recreation Council of Anchorage, gave a presentation (pages 169-177). on the proposal to establish a 900-acre Alaska Methodist University-University of Alaska, Anchorage, campus park.

Mr. Warwick said it seemed to him this idea has merit and by Dr. Moyer's own admission the land they now plan to acquire would "cramp" them.

Mr. Warwick asked how much money they were talking about. Mr. Goodhue did not know the exact amount but said he would say \$2 to \$3 million. He said that possibly the land owned by Rogers and Babbles would be obtained for \$1.5 million. The committee discussed this.

Adjournment: The meeting adjourned at 6:00 p.m.

PARC of Anchorage
Box 3395
Anchorage, Alaska 99501

January 26, 1972

To those concerned about the future of higher education:

The Parks and Recreation Council (PARC) of Anchorage is actively working to preserve enough park land in the Anchorage metropolitan area for recreation, wildlife habitat, environmental education, and aesthetic purposes. It is highly desirable when park proposals complement plans to meet other needs of the community, and therefore PARC of Anchorage is pleased to present a proposal to establish a 900-acre Alaska Methodist University-University of Alaska, Anchorage, campus park that will be capable of supporting a great variety of teaching, research, and public service programs of statewide as well as local significance.

In contrast, another proposal being considered by the legislature would break up the largest natural area remaining within the Anchorage city limits and provide the University of Alaska, Anchorage, with only 142½ acres, a totally inadequate amount of space for the 15,000 - 20,000 enrollment predicted. The educational, research, and public service programs of both universities, the Anchorage community, and the state as a whole require substantially more space.

Before making the irreparable error of breaking up the largest natural area within the Anchorage city limits, thereby eliminating a choice environmental study, physical education, and recreation area which should be used by both universities, please consider the enclosed land use plan and funding proposal. The major benefits of the enclosed campus park proposal if implemented are:

1. A meaningful consortium between the two institutions of higher education in the Anchorage area;
2. A 340 acre campus, plus additional adjacent acreage for future growth, for the University of Alaska, Anchorage;
3. Funding to develop needed indoor facilities for the University of Alaska;

4. Preservation of the environmental integrity of the Alaska Methodist University campus, thereby insuring that its valuable natural features will be available for the use and enjoyment of the Anchorage community and the students and faculty of both the University of Alaska and AMU.
5. A stable student grants-in-aid program which guarantees Alaska students the financial freedom to attend the college or university of their choice within Alaska.
6. Continued existence of AMU as a private university to insure a diversity of higher education in the state.

Successful implementation of this campus park proposal requires that all of the following steps or their equivalent be taken:

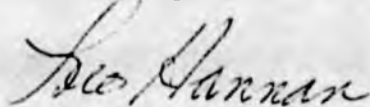
- 1) Joint AMU/U of A planning to develop complementary curriculums, allow cross registration where a course is not available at the home institution and share faculty, buildings, and outdoor study and sports areas.
- 2) Appropriation by the Legislature of 2.8 million dollars by March 1, 1972, and 375,000 per year for the ^{next} nine years to enable the University of Alaska to acquire:
 - a. a lease to share in the use of 300 acres of the AMU campus for environmental education, physical education, recreation, and sports programs (for which lease AMU would receive \$300,000 by March 1, 1972 and \$300,000 on July 1 for the next nine years).
 - b. Lease of 35 additional acres of land fronting on the east, west, and south shores of the AMU lake to be indoor facilities and access to them (for which AMU would receive \$1 million dollars by March 1, 1972 and \$75,000 on July 1 for the next nine years).
 - c. fee simple title to 80 acres of contiguous private property (for an estimated cost of \$1.5 million dollars) and
 - d. 225 acres of surplus military property which should be available for state selection in the near future.

3. Authorization of a bond proposal which if approved by the voters would fund the construction of needed indoor facilities at the University of Alaska, Anchorage, and other campuses of the State University.
4. State funding of a stable student grants-in-aid program at an initial cost of \$1.75 million to increase gradually to \$2.75 million over a ten year period.

It is crucial that all of the above elements or the equivalents be included in the final legislative package if this proposal is to be workable.

Many people in the Anchorage community and at AMU and the U of A feel that this proposal is more comprehensive than the shortsighted solution to U of A and AMU financial problems which has been presented and think that implementation of this proposal would provide the educational-medical-recreational complex needed by the community and the state. We, as citizens to be affected by your decision, would be glad to discuss the merits of this proposal with you.

Sincerely,



Leo Hannan, Chairman
PARC of Anchorage

AMU-U OF A, ANCHORAGE CAMPUS PARK

as proposed by

The Parks and Recreation Council (PARC) of Anchorage

Introduction

The Parks and Recreation Council of Anchorage recommends that cooperative arrangements between Alaska Methodist University and the University of Alaska, Anchorage, consider the need for outdoor educational and recreational facilities as well as indoor teaching stations. While much subject matter is best taught in indoor facilities, many aspects of such subjects as biology, land use planning, and physical education are best mastered in an outdoor setting.

A wealth of outdoor learning opportunities are available on the Alaska Methodist University campus which includes land both hilly and flat, wetland which supports a variety of animal and plant life, and three water bodies: an artificial lake which will be ideally suited for water-oriented physical education and recreation, a natural pond for environmental studies, and a free-flowing stream. As the last large natural areas within the Anchorage city limits are subdivided and developed, the importance of the natural sections of the 505 acre AMU campus as an environmental education laboratory and trail-related recreation area for the entire community is increased.

Higher Education Needs

The amount of land to be dedicated for higher education purposes and plans for its usage should be determined by the programs which are anticipated to meet instructional, research, and public service needs. Projections of higher education needs in the Anchorage area indicate that the State should establish a major university campus for extensive upper-division undergraduate and graduate instruction, plus research and public service programs. In addition, several small community colleges offering lower-division courses at locations convenient to Anchorage residents will eventually be needed.

The quality and variety of higher education can be further enhanced by the unique contributions which a private university can make. A consortium between the State university and the private university: namely, the University of Alaska, Anchorage, and Alaska Methodist University, is the mechanism by which complementary programs can be developed yet still encourage healthy competition in such areas as sports. Such coordination and competition should stimulate greater achievements by the two institutions.

Grants-in-aid should be made available to students enabling them to attend the college or university of their choice within Alaska and

thereby strengthen the dual university system or consortium. The cost to the taxpayer of this tuition equalization is much less than the cost per student to the State for providing classrooms, other facilities, as well as instruction at the State university.

Consortium Objectives

The curriculum of the AMU-U of A, Anchorage, consortium should take advantage of the natural and man-developed opportunities which exist in the Anchorage area. The geography of the Anchorage setting makes it well suited for instruction and research in the fields of sub-arctic and alpine environmental studies and architecture, Pacific rim studies, wilderness skills, park management, and winter sports (exemplified by AMU placing three students on the fifteen member U.S. Olympic Cross-Country Ski Team). The development of Anchorage as a statewide service center makes it well suited for the study and practice of medicine, nursing, psychiatry, business administration and banking, community development and land use planning.

The educational, research, and public service endeavors of the consortium should be a significant part of the Anchorage-based services to the rest of the State. If other service centers of statewide significance develop, Anchorage will still contribute in the many fields for which it is uniquely qualified. Therefore it is essential to establish an educational/medical/research center in Anchorage large enough to meet these long range needs.

Recommended Acquisitions for the U of A, Anchorage, Campus

The approximately 575 acres now owned by Anchorage Community College and Alaska Methodist University do not provide enough space to support the variety of needed public services and indoor and outdoor education programs for the anticipated 15,000 to 20,000 student enrollment. Additional land should be acquired adjacent to the existing higher educational/medical/recreational complex if the consortium concept is to be fully implemented.

The only substantial amount of undeveloped acreage is located to the south of the AMU campus where there is a contiguous 80-acre trade and manufacturing site on the north side of Tudor Road and the military reservation on the opposite (south) side of Tudor Road. Purchase of the former tract would rid the educational/medical/recreational/residential neighborhood of the incompatible industrial use now occurring on part of the 80-acre site. That part of the Campbell military reservation which should be used for higher education is bounded by Tudor Road on the north, the Greater Anchorage Area Borough property on the west, the Alaska National Guard on the east, and Campbell Creek to the south, comprising approximately 225 acres in Section 34, T13N, R3W. Acquisition of these two parcels, which could be conveniently linked by overpasses and/or underpasses across Tudor Road, would provide more than 305 additional acres for higher education in the Anchorage urban area.

The leasing of about 35 acres of contiguous AMU property by the State would provide the University of Alaska, Anchorage, with a 340 acre campus and 4000 feet of frontage on the shore of the lake which has been developed in the southeast corner of the AMU campus. The lake would provide a natural boundary between the two universities of the consortium and would provide additional space for buildings on the west shore of the lake and space for utilities, access, and buffer zones on the south and east shore of the lake to serve buildings to be constructed on the adjacent 80 acre site. The location of the properties to be acquired for a University of Alaska, Anchorage, campus are shown on Attachment A.

The 340 acres described above would provide considerably more developable land than the 142½ acres of AMU property which the U of A proposes to acquire adjacent to Goose Lake and Northern Lights Boulevard. One half of the 142½ acre tract is peat bog and some of the remainder is too steep to be developed without considerable alteration of the terrain.

In addition the leasing of outdoor use rights for 300 acres of the AMU campus would provide the University of Alaska with a wealth of outdoor study and sports facilities, and a total of 640 acres would be available for U of A, Anchorage programs.

Consortium Land Use Plan

Two basic land use zones are recommended: one for development of indoor facilities and another for outdoor education, research, and recreation. The outdoor zone serves the additional purpose of providing a buffer zone around the indoor facility zone as shown in Attachment B.

A spine of indoor facilities extends from the northern terminus of the existing buildings on the AMU campus southward and easterly around the lake and onto the military reservation as far south as the Campbell Creek floodplain. All buildings are located outside the 100 year floodplain as delineated on Attachment C. The only improvements to be located within the 100 year floodplain are sidewalks, roads, parking areas, and playing fields which would not be seriously effected by floods. The improvements must be designed so as not to displace or divert floodwaters thereby maintaining the integrity of the 100 year floodplain.

The area west of the proposed Health, Physical Education and Recreation Building on the west side of the lake should not be developed in order to:

- maintain the integrity of the 100 year floodplain of Chester Creek;
- insure that open space will be readily accessible to the health, physical education, and recreation program headquarters;
- preserve a buffer zone between the University and Providence Hospital;
- preserve a choice wintering and calving habitat for moose.

Transportation within the consortium would be by foot on sidewalks and malls connecting the clusters of buildings along the spine and by shuttle bus service which would substantially reduce the need for intra-campus automobile traffic. An interchange for a northern and a southern bus route would be located in the heart of the consortium, thereby eliminating the need for a through street from Wesley Drive to Tudor Road which would be an attractive short-cut for non-university traffic. A bus on the northern route would shuttle from the proposed Health, Physical Education, and Recreation building on the west shore of the lake to the existing AMU buildings, the consortium library, and Anchorage Community College. The southern bus route would proceed south from the Health, Physical Education and Recreation building following the roads around the periphery of the buildings on the U of A, Anchorage campus.

All-season recreation trails located in the buffer zones, would provide commuter traffic routes and access to the environmental study sites by foot, bicycle, and horseback in summer and cross-country skis and sled dog teams in winter. Roads entering the University of Alaska, Anchorage, campus south of Tudor Road would pass over or under and thereby not interfere with the sled dog racing trail located in the buffer zone between the road and the buildings.

Attachment D shows the locations of the environmental education features and recreational and sports facilities which already exist on the AMU campus and which would be preserved and made available for U of A., Anchorage, use if this land use plan is adopted. The features include:

- two miles of dog mushing trails;
- seven miles of cross-country trail used by hundreds for walking, running, and skiing and the training ground for the three AMU students who just won berths on the 15 member U.S. Olympic Cross-country Ski Team;
- drumlins, the steep hills left behind following the recession of the glacier, which provide the variety of terrain needed for the cross-country trail as well as serve as an example of geologic processes;
- the Goose Lake recharge area and the view across the lake from the city of Anchorage swimming beach;
- wintering and calving areas for many moose;
- resting and nesting for ducks, geese and grebes in the bog area;
- a free flowing creek in the southwest corner of the campus for studying stream flow quantity, rapidity, oxygen content, and animal life;
- a lake for swimming, sailing, canoeing, kayaking, and ice skating;
- tennis courts and hockey rink;
- a ski slope and rope tow and ski jump.

Implementation

For this proposal to become a reality all of the following actions or their equivalents must be taken by the State Legislature; the University of Alaska, Alaska Methodist University; local government; and community conservation and sports organizations.

The State Legislature should:

- fund a stable grants-in-aid program to enable Alaskans to attend the university of their choice within Alaska;
- fund the acquisition of 80 acres of private property and 35 acres of AMU property and recommend the use of 225 acres of military property for a University of Alaska, Anchorage, campus;
- fund the lease of rights to use 300 acres of the AMU campus for outdoor education;
- authorize a bond election which would provide funds for the construction of indoor facilities by the University of Alaska

The University of Alaska Anchorage should:

- execute the lease of approximately 35 acres fronting on the east, west and south shores of the lake in the southeast corner of the AMU campus;
- purchase 80 acres of abutting property between the AMU campus and Tudor Road;
- acquire approximately 225 acres of surplus military land bounded by Tudor Road on the north, Borough property on the west, the National Guard on the east, and Campbell Creek to the south in Section 34, T.13N.R.3.W.
- develop an environmentally sensitive, program oriented, yet flexible master plan for the development of the 340 acre University of Alaska, Anchorage;
- execute the lease of rights to share in the use of 300 acres of the AMU campus for outdoor education purposes;

Alaska Methodist University should:

- continue to develop outdoor facilities on 300 acres of land and water area for the environmental education and physical education programs of the consortium;
- make outdoor recreation areas and facilities available for use by community sports organizations;
- dedicate a greenbelt along Chester Creek where it flows through the campus;
- manage the lake to serve as a means to control the flooding of Chester Creek in the consortium core and as a means to recharge the shallow aquifer.

Local government should:

- acquire the development rights along Chester Creek from the U of A and AMU thereby guaranteeing that the greenbelt remains open space;

- acquire development rights or fee simple title along the remainder of Chester Creek to implement the concept of a greenbelt from Bootleggers Cove to the Chugach Mountains;

Community conservation and sports organizations such as the 20 affiliated with the Parks and Recreation Council of Anchorage should:

- assist in the clearing and maintenance of trails and other outdoor recreation facilities;
- provide advice and materials for the development of environmental study areas.

Summary

The major advantages of the campus park proposal are:

- 1) The close proximity of AMU and U of A buildings make it possible to share courses, faculty, and buildings and thereby implement the consortium objectives;
- 2) The outstanding natural features, recreation opportunities, and wildlife habitat on the west and north sides of the AMU campus are preserved for the benefit of the U of A, Anchorage, as well as AMU and the entire community.
- 3) The University of Alaska acquires a 340 acre Anchorage campus of their own plus the right to share in the outdoor use of an additional 300 acres of AMU property.

Implementation of this proposal should simultaneously solve the land, facility, and financial problems now confronting higher education as well as preserve the largest, most varied natural area remaining within the limits of the State's largest city. Of the alternatives suggested for meeting these needs, this proposal seems to be in the best interest of all parties concerned.

HOUSE FINANCE COMMITTEE
February 19, 1972
10:30 a.m.

PRESENT

All members except Representatives Fink and Ditman. Don Dafoe, University of Alaska VP for Public Services; Gene Short, Anchorage Community College Dean; and Mrs. Issac were also present. Joe LaRocca was sitting in.

Chairman Hohman called the meeting to order and stated that the subject of the meeting would be Community Colleges. He turned the chair over to Mr. Warwick, Chairman of the Subcommittee.

Mr. Warwick said there were a series of bills proposed by Legislative Council on the basis of the study that was done. He asked Dean Short for his comments.

HB 606

Dean Short began with HOUSE BILL NO. 606 (An Act relating to the Community College Act) because it was one which the Community College Directors had a great interest in. This indicates that the head of a Community College will be called a "Dean". He pointed out that the Community College Directors had no particular hang-up about their title. They do object to being called "Resident-Directors" because the Statute dictates they be called "Directors".

Dean Short said the Directors felt very strongly about Community Advisory Councils. They feel they should have them and they should work with the Directors of the Community Colleges. He said that in Juneau and Anchorage where they also have senior campuses there has been an overall Community Advisory Council and the Community College Directors don't feel that is relevant.

Mr. Haugen referred to Page 2, Line 1 where it said "Members of the council may be removed by the Board of Regents." Mr. Haugen's point was that it didn't say how, why, when or where they were removed. He felt that if they had a Community Advisory Committee they had an obligation to develop a good program whether it was what the University wanted or not.

Dean Short said that perhaps what was meant by that was a term of membership. In the past members were appointed and left on the council for a period of 5 years whether they attended or not. What they are thinking about is a term of maybe 3 years to indicate whether they were interested or not.

Stewart Hall from Legislative Affairs commented on the reason for placement of this matter in the Statutes. He said that it was pretty apparent that the people who serve on these bodies believe they are putting real input in the Community System, but in fact the only basis for them legally is a motion made in 1955 on the floor. There is no reference in any other place. It was felt there should be some further legal basis for having them. He added that perhaps there ought to be

language for the basis of removing. The intent was that a member would be removed if he wasn't active. Under the present scheme of things the President of the University appoints the Council. This bill puts that into the hands of the Board of Regents.

Dr. Dafoe commented that there was now a policy adopted January 10 by the Board of Regents. They just wanted to clear up a point.

Mr. Warwick asked Dean Short if he would rather see the Deans appoint the Advisory Councils. Dean Short thought that it should be the person who was on the firing squad administratively for the particular location.

Dean Short referred to the section on faculty where it states that the teaching faculty at the community colleges of the University of Alaska have the same rights, privileges and status as comparable faculty members at either the Fairbanks or Anchorage campuses of the university. Dean Short felt they already had this and that they did live under a unified system. Although from a budgetary point of view some of the community college directors have paid lower initial wages. However they are endeavoring to rectify inequities and will make a real pitch this spring to place them at appropriate levels.

Dean Short went on to say that Community Colleges in the State of Alaska are discussed in two frames of reference: academic and vocational-technical. He felt that a community college should be a maximum integration of both concepts. They believe that the people who teach are equal and should be given comparable rank, title, status, and comparison. However, since the two things are funded out of two different sources, this is somewhat difficult. The academic is funded by the U. of A. with rank and salaries tied to it, and the vocational-technical is by the Division of Vocational Education with the Department of Education. Currently, they are talking about criteria for ranking personnel and he predicted that within a year that would be done.

[Joe LaRocca leaves.]

Dean Short said that the section referring to liason was in relation to that Association which was funded in July 1971 but not incorporated or implemented at that time. He said that as of last week, the Association took formal action to implement itself. He stated it was desirous that this Association be of people and not of institutions and thought it should be mentioned in legislation. Dean Short said that the title of the Association, Alaska Association of Community Colleges, might imply institutional membership, but the articles of the Association will indicate it will be an association of people, not institutions.

Mr. Stewart Hall said the specific name wasn't included in the Statute because it would violate the special legislation laws.

Dean Short said the Association had a classification of open membership, and it would be open to any new or interested person.

Mr. Hohman said it was his feeling that they had no institution to represent them in their district. Dean Short replied that people from the Bethel area would be eligible to join this organization.

Mr. Wright asked about funding, and Dean Short answered that most of the non-credit (Voc.-Tech.) programs had been started in the colleges under funds that were provided by local school districts or through the local school district by the Division of Vocational Education. Since their allocations are annual and since they are dependent on both federal and state funds, there has been a necessity to budget for what they thought was needed and then operate on what they got, because they must develop programs year by year and they don't know what they will get the following year.

Dean Short said that last year there was funding by the legislature for special vocational education--\$900,000. Then there were 7 or 8 interests getting together and vying for funds. Anchorage Community College got more than half of the, but Dean Short pointed out they were the largest vocational education program.

[Dr. Marshall Lind, Commissioner, and Mr. Robert Thomas, Deputy Commissioner, from the Department of Education arrived.]

Mr. Wright asked about the smaller communities, and Dean Short said that in discussing the formula of foundation support for post-secondary education, they have recognized that smaller communities must have an "X" factor in there. Thus, they are trying to develop a formula that is acceptable to the State Department and Division that will accommodate continuous foundation support to on-going programs and take care of smaller areas at the same time.

It looked to Mr. Haugen like the adult education could use the high school facilities after hours and then upgrade the Community College in Juneau so that the students in Petersburg who wanted to take their first two years of college, could. He said this would eliminate a tremendous amount of capital cost and serve more people.

Dean Short said that the Community College Directors had objected to the bill which had a \$40 million bond issue in it. He read the minutes from their meeting which included the list of reasons. He stated he would supply the Committee with copies.

[Red Swanson arrives.]

Mr. Wright asked if there were any recommendations for capital improvements, and Dean Short said no. He added that they didn't come up with recommendations on what should be done because they felt current projects should be finished first.

Mr. Dafoe said they felt it should be an item to back up and complete present loads.

Mr. Haugen thought it was only logical to finish what had been started.

Dean Short said that the classrooms were being used between 65-70% during the non-school hours. They were also utilizing many other teaching stations. He said it was never the intent to build for the part-time night student.

Dean Short said that if \$8.5 million is bonded, \$2.5-3 million will go to pay for the last project and this will leave them short for their next project. There was not enough money to do everything, so they decided to give up some things.

Dean Short thought that the Community College Act was a poor one because it did two things: created community colleges where they didn't belong because of criteria for establishment, and it took the community college and split it into two functions. There were two personnel policies and two pay scales etc. Dean Short basically agreed that the law should be re-examined and rewritten.

Dean Short felt that the community college was a single operation, and it should be funded as a totality. Then the administration would have some say in what to develop and where to put money. He felt that the community college directors would want the 19 budget request units to be funded as was discussed in yesterday's meeting.

HCR 19

Mr. Warwick said they would address themselves to HOUSE CONCURRENT RESOLUTION 19

Dean Short said that they had had budgeting with the University of Alaska for 10 or 12 years and for the school district it becomes somewhat apparent that lump sum funding becomes an internal administrative decision as to allocation. The new state procedure where they have budget request units allows them to look at each unit and see where the money is going.

From the community college point of view, it is felt that community colleges will get equal financial support in operating budgets under this procedure. Dean Short said that when they

came right down to it, the Alaska Community College was not only the largest unit of the University of Alaska, but it is the largest administrative unit in the State of Alaska. It deals directly with more people, books, and credit hours than any other. It operates at a nominal cost per credit hour .

HB 607

Dean Short said that if the 5% changeability meant that 5% of all other units could be transferred to the same unit, without going back to the legislature, than he thought it might not be so restrictive. He was referring to HOUSE BILL NO. 607 (An Act relating to the allocation of legislative appropriations by the University of Alaska). He went over his question again saying there were 19 units. He wanted to know if they could move 5% out of the other 18 to cover 19 or whether they could only move 5% from one of the units to cover 19.

Mr. Warwick stated that they could conceivably receive 5% x 18.

Mr. Stewart Hall said that the purpose was to preclude greater shifts than that. As he understood it, shifting had been going on without anyone knowing where it was coming from or where it was going. The people on the community college campuses have no input into this. They wanted to see some input into the central budgeting process that they aren't getting at the present time, and that is the purpose for the bill.

Mr. Warwick pointed out that the amount of money 5% was out of each unit was different.

Dean Short said that as long as there was double funding there was inequity to the student. He said they were pushing to get some foundation program to pay for the different programs so that a student pursuing one direction in the school didn't have to pay more than a student pursuing another direction. He felt that whatever a student's interests were he should pay the same as every other student.

Dean Short said that currently their budget was approximately \$2 million academically, but their total budget is \$3.8 million. The rest of the money comes under Vocational Programs Grants under Social Services, federal grants, etc.

Mr. Wright wanted to know how the budget was handled under Vocational Education. Dean Short said that what they want is a formula approach to funding their operating budget. They are making a real effort to have that developed prior to developing their 73-74 budget next July.

Dean Short said the purpose was to have a formula that would accomodate the budget in community colleges and funded in one place and in one way.

Dean Short said that two things would be necessary to do anything this year. One is that the legislature would have to be notified to put post-secondary or community college on the foundation program, and two it would necessitate changing the budget of the Department of Education. Their reason tells them that the time factor allows them to accomplish or attempt to accomplish this next year.

Mr. Wright asked Dean Short's personal feeling on school districts being responsible for non-academic classes, and Dean Short thought it was a step 30 years backwards.

Dean Short went on to say that school districts were legally responsible for kindergarten through 12th grade. Post-secondary is only a nominal operation and has been given nothing but lip service. Anchorage is getting almost a million dollar program for \$41,000 out of tax money. However the school district has to have faith and sign off everything he does and that is a risky operation. He thought that even if they went to the foundation program, the school district should be obliged to pay 10% of it.

Dean Short said that every program should have a program evaluation. For example, if the girls being trained end up going to work, he didn't think they were losing money.

HB 636

Mr. Warwick brought HOUSE BILL NO. 636 (An Act relating to community colleges) up for discussion.

Dean Short said that throughout the United States there were a number of methods for establishing and operating community colleges. One way is that they are operated by school districts and another is total autonomy where they are operating it completely and have a taxing base in the community. Plus, there is any combination of the two in between. Some states evaluate and operate community colleges through the state system--two examples are Alaska and Hawaii. California operates an independent system statewide and they get a foundation program and taxing. They started with the school system as did Washington and later broke loose. His point was it can be done in any number of methods.

He said that this bill addressed itself to switch administration and support to the State Department of Education. He said there were some questions that would need to be explored. Currently what are being called community colleges are accredited under the University of Alaska umbrella. If the switch was made there might be an accreditation problem. He said that the State Department of Education is the central agency through which many of the public schools in Alaska are accredited. He couldn't say whether the Northwest Accrediting Association would consider them as a central agency for accrediting community colleges. He said that actually it was a matter of how the legislature wanted the community college system to work.

Dr. Dafoe said he particularly noticed the part of the bill where the language says the Department of Education could offer upper level graduate degrees through the community colleges. He thought this would be the most sticky problem. He said that what would happen would be that the local community college would provide extension courses from the main campus as the law currently allows them to do. Thus, any of those methods are feasible. The important thing is that the operating procedures give them the freedom to run community colleges.

Mr. Haugen asked Mr. Hohman why he had introduced the bill, and Mr. Hohman answered that there has been a problem with the community colleges in providing educational opportunities to smaller communities and this was suggested as an alternative way of education.

Dean Short said that for the Vocational program \$480,000 was funded through the Division of Vocational Education and student fees, and \$41,000 from the local school district. He said the funding on that would remain the same whether local district or state department was operating because the local school district would give the \$41,000 in Anchorage. The State Division of Voc. Ed. would give what they could and adjust fees of the students to pick up the difference. Thus, the million dollar program costs the district \$41,000. Actually, it is \$341,000 because the student fees belong to the System, but they allow them to pump it back into the community colleges.

Mr. Thomas said that if the bill passed, they would probably have to have a Division of Community Colleges within the Department of Education.

Dean Short said that a need was developing in Alaska for senior colleges. Two types of needs are being met now, the lower division needs and the graduate level. He said that the graduate programs have actually not been expensive.

Dean Short summarized the two problems with the bills as being the problem of accreditation and the problem of funding. He assumed the funding would be through the Department of Education, and if that happened, then it could be a workable concept.

Commissioner Lind said he hadn't had a chance to look at the bill in detail. He didn't know whether the State Board would recommend it or not, but he hoped to have the opportunity to present it to them on March 1.

Presently, he felt they had so many things to do kindergarten through Grade 12 to get the system a little bit better, that they were somewhat reluctant to get involved in the 13th and 14th grades. He could see some advantages in organization of programs. He could see that in some cases community colleges were able to do some things better for high school students

than the high schools could do. There could be better use of the facilities if it were within the Department. He said he got concerned about building more buildings when there are elementary and Jr. High and High Schools not being fully utilized.

He said that the Board may have a completely different view on this than he did because as he had mentioned he was reluctant to get into it. He imagined they would be building their own heirarchy by adding this other division. The main advantage would be coordination of the overall educational scale.

He went on to say that there was considerable interest state-wide and nationally for the community schools approach. He said there were two bills in Congress now that would bring about more involvement in community schools. The greatest problem is duplication of things presently operated by the community colleges. He thought that problems of this type might be eliminated if it were under the Department. He said that actually they needed additional time to fully analyze this thing.

He said they were finding a number of high schools had a lot of kids who finished mid-term in the 12th or 11th grade. Some were even finishing in the 10th grade. He thought that something should be set up on performance criteria rather than counting credits. Mr. Lind said that if a youngster could graduate at the end of the 10th grade they should have someplace for them to go. Here is where the community college function could fit in.

Mr. Hohman referred to the inadequate day facilities in his community. There was a high unemployment rate there and a lot of adults who didn't have anything to do during the day so there were more day students than night students.

Mr. Lind said there were a number of communities they would find this problem in. He added that he thought the attendance would be a seasonal thing.

Mr. Hohman asked Dean Short why the Association questioned the need for construction of headquarters at Nome and Bethel. Dean Short answered that their feeling was that there were community colleges that have been built and that are not complete. Until these were complete they didn't want new ones to be constructed.

Mr. Hohman asked if Dean Short thought the Association was aware of the situation in Bethel, and Dean Short said he didn't think they were aware of all the factors in the Bethel situation.

Mr. Hohman asked a question on the Alaska Native Cultural Center where it required \$2 million of state funds, but \$4 million of private funds were available. Dr. Dafoe said that he didn't think the \$4 million was available. He thought they were talking about trying to get it.

Mr. Hohman said that the report by McLean and the Association resulted from the passage of HOUSE CONCURRENT RESOLUTION 26 last year. The intent of that resolution has been accomplished with the writing of the report. He wanted to know if there was a need for employing this same concern again for any future work. Dr. Dafoe replied that he would think some follow up review another year would be fine. He didn't think it needed to be continuous by any means. He understood that the report was \$50,000, and he didn't think a look should cost more than about \$5,000.

ADJOURN Meeting adjourned at 1:30 p.m.

HOUSE FINANCE COMMITTEE
February 21, 1972
3:30 p.m.

PRESENT All members except Representatives Ditman and Wright. In addition, Commissioner Frederick McGinnis and Roger Lang, Comptroller, from the Department of Health and Social Services were present. Other staff members from that Department were also present.

HB 504 Chairman Hohman called the meeting to order and stated that the matter under discussion was HOUSE BILL NO. 504 (An Act making supplemental appropriations to the Department of Health and Social Services). Mr. Hohman asked Commissioner McGinnis for his comments.

Commissioner McGinnis gave the following prepared testimony:

"I wish to express my appreciation to the Committee for your early consideration of Committee Substitute for House Bill 504, the supplemental appropriation to the Department of Health and Social Services. It is necessary that this matter receive early considerations by the legislature in order that program considerations may be resolved as early as possible.

You will recall that during the prior session you considered a supplemental appropriation for the Department. The 1971 Fiscal Year departmental budget appropriation was \$42,393,900. As in prior years it was anticipated that a supplemental would be required. A stated supplemental need for \$4,508,000 was made by the Department. This was adjusted downward by the utilization of \$761,000 unbudgeted salary increase funds. The December 4, 1970, estimate of supplemental need was \$3,385,600. The final approved supplemental was \$3,046,900 which included \$2,730,200 (HB 61) General Fund Mondy. The total effective supplemental for FY 71 was \$3,807,900.

You will further recall testimony by this Department during the last session which pointed out the fact that projected caseload increases, coupled with the full cost of care legislation, would in all probability necessitate a supplemental appropriation, if the categorical programs were to be continued at their present payment levels and the full cost of care statutes were to be implemented. In a document presented to the Budget Free Conference Committee, the Department spoke to the impact of the Budget as proposed by stating:

'If the legislature will entertain a supplemental appropriation next session, the Division of Public Welfare can operate within either the House or Senate version. However, the legislature should be aware of the fact that with rising caseloads and costs that our original estimate of \$31,904,000 will be needed to operate the programs during the coming year.

In the event that the legislature states an intent to not allow a supplemental, the percentage cuts of 31% across the board for AFDC, APA, GR-MED, GR, and CWS will have to be made effective July 1, 1971, in order to stay within the allotted budget.

Neither the House nor the Senate allowance provides for the additional funds required to fund the purchase of service at full cost of care as mandated by AS 47.40.040 in the 1970 legislative session. Under Proposal 1, \$1,182,700 is required to fund this statutory obligation. This figure was one of three alternative proposals developed as a result of Rate Hearings held in February 1971.'

In September 1971, based upon a limited 60 day experience into fiscal year 1972, I indicated that the supplemental funds required to continue programs at their present payment levels could reach \$10 million. A copy of that analysis of expected supplemental appropriations required is appended to this statement for your review. Since that time the Department has maintained close scrutiny and control of expenditures with the goal of reduction of supplemental requirements to the lowest possible level. As our experience into the fiscal year increases, caseload projections and expenditure patterns develop and assume a more realistic pattern.

On November 15, the Department submitted to the Division of Budget and Management a supplemental requirement totaling \$8,500,400. Later during consideration by the Governor's Budget Review Committee the request was reduced to \$6,637,100. The reduction was based primarily on information supplied by this Department after more experience into the Fiscal year. Therefore, the Governor's supplemental appropriation request was consistent with the projections then available.

In testimony this session before the House Health, Welfare and Education Committee, the Department indicated that the funds included in the supplemental request would maintain the Food Stamp Program at the present level of service. The Committee expressed a desire for more substantial service and amended the appropriation bill to provide an additional \$293,600 to increase the level of service in the Food Stamp Program.

On a more encouraging note the Department has been advised that our request for indirect costs for supportive services to Social Services Programs have earned \$1,198,500 in retroactive Federal Payments. I have obtained the Governor's concurrence in utilizing these funds to reduce the supplemental appropriation. Therefore, assuming Budget and Audit Committee approval to receive and expend these funds, the supplemental can be reduced by this amount.

To recapitulate -

The Governor requested	\$6,637,100
The House HWE Committee added	293,600
For a Total of (CSHB 504)	<u>6,930,700</u>
Reduced by Retroactive Federal Payment	1,198,500
Leaves Net Supplemental Requirement	<u>\$5,732,200</u>

This requirement will insure the continuation of programs at present levels within the Divisions of Family and Children Services, Corrections, Public Health and Mental Health. Representatives from each of the programs are available today to answer any questions you might have considering the program implications of this request."

Mr. McGinnis told the Committee that if they were looking at the Committee Substitute for HB 504 the figure of \$6,930,700 was changed to \$5,732,200.

Mr. Hohman asked whether the \$5.7 million figure incorporated the concern that the House Health, Welfare and Education Committee had in the area of food stamps.

Mr. McGinnis said that because of the relationship of the General Fund to program receipts they would prefer a little additional time to decide how they monies should best be distributed within the Family Services Division. He thought they could have that breakdown by Thursday, when they were scheduled to meet with the Committee again.

Commissioner McGinnis asked Mr. Lang to make some statements about the bill itself.

Mr. Lang said he would limit his discussion to figures from the original bill. He stated that the total supplemental request was \$6,637,100. In arriving at this figure they took requests from the four program divisions within the Department.

The request for PUBLIC HEALTH is \$147,700. This is in the Crippled Children's Program under contractual services for payments to providers of medical services.

The request for MENTAL HEALTH is \$83,500. This is to offset the shift differential for shift employees, and some of it represented salary increases and there was some vacancy and turnover. All of it was in code 100.

The request for CORRECTIONS is \$300,000. The request is in code 100 to off-set overtime, vacancy and turnover, and shift differential.

The request for FAMILY SERVICES is \$6,105,900. Within the Division the various program requests are:

1. Administration -- \$384,400. Out of this, \$265,300 is for salary increases. This is broken down across most of the codes, but primarily codes 100, 200, & 300.

He said that salary increase was 5% last year, but they have been told by the Department of Administration they can expect 3% of the total salary increase overall. Evidently the Department of Administration wasn't funded for the full 5% salary increase. They expect a lapse.

2. Adult Public Assistance -- \$1,212,100. This is almost all for increased adult public assistance recipients. The Department funded for 2555 recipients and the yearly average is 3300 recipients. Mr. Lang explained that at the time the budget was received they discovered that the maintenance level did not take into consideration case load increases and the budget they were given was at the same case load level. The increase of \$1,212,100 is to fund them up to the 3300 recipient average. Mr. Lang believed the estimate for next year was 3560. Mr. Warwick asked him to get that figure for them by next Thursday.

3. Aid to Families with Dependent Children -- \$1,521,600. The majority of this is also for grants to recipients. They were funded for 9124 recipients, but the yearly average is 10500. There is also \$200,000 to fund Operation Up-Grade which was not requested before. It had been eliminated from the budget with a note from the Finance Committee that it would be restored through legislative intent.

4. Food Stamps -- \$206,400. The majority of this is for funding temporary additions of eligibility workers, to determine eligibility of food stamp recipients, and distributors of food stamps.

Mr. Hohman asked the level this would bring the FY 72 appropriation to, and Mr. Lang said the original authorization was \$418,300 and if the supplemental appropriation was passed authorizing the additional \$500,000 that would bring the total level to \$918,300.

Mr. Hohman asked about the FY 73 appropriation, and Mr. Lang said the Governor's allowance was \$428,100.

Commissioner McGinnis said they had submitted a special memorandum to the Governor indicating the problems involved and the assumption of the Budget Review Committee which may have been erroneous. He explained that the BRC knew they were going to attempt to move their food stamp sales to post offices. They assumed it would save a half million dollars, and it will probably only save \$15-20,000. Since they had not made a logical assumption, the Governor was notified. This is pending.

Mr. McGinnis said this was a major program all on its own. He stated that the federal demands for quality control and standards for Alaska have not been met. He felt Alaska should move to meet the minimal requirements or it would be subject to having the program dropped totally.

Mr. McGinnis emphasized that when they were before the HWE Committee the Department did not request the amount which they made. That was prior to the time they had an opportunity to discuss this with the Governor and they did not feel they should ask the Legislature to make an amendment, although they did recognize the problem.

Mr. Hohman asked for a copy of the memo to the Governor and asked if they would attach a value to it. The Commissioner said he would supply those things.

Mr. McGinnis said that the State was responsible for certain activities. He said the value of those food stamps would not be included in their budget document. He suggested a foot note which would state the amount of benefit to Alaska. He said he would give them the memo and attach the administrative overhead and the total value to citizens in dollars which he believed was about \$10 million.

Mr. Fink asked about an article he had read in the Anchorage Community College paper that said a food stamp office was going to be available on campus. Mr. McGinnis didn't know about it, but said it was possible because they were trying to make offices centrally available and because of crowded conditions were trying to set up places other than the down town one.

Mr. Fink asked if there were many students going to school who were on food stamps. Mr. McGinnis didn't know the number in relation to the total population in Anchorage, but Mr. Harris said they had to be married students to qualify.

5. General Relief -- \$140,400. This is primarily for emergency payment for food, rent and fuel, Mr. Lang explained

6. General Relief - Medical --\$2,342,700. This is under contractual services for payment of medical services to the providers of medical services.

Mr. Haugen asked the cost for an office call. Mr. Lang answered that for a general practitioner it was about \$10, and for a specialist it was between \$12 and \$15 for a routine call.

Mr. Lang said that more than half of the expenditures went to hospitals. The next sizable amount went to physicians and then for pharmaceutical appliances.

Mr. Warwick asked if there were any controls put on the amount of money they could spend. He was told the actual amount of money spent was \$3,649,900.

Mr. Warwick asked if they were going to reduce the scope of the program next year, and Mr. McGinnis said they would have to if they had to work within the budget figures the Governor was allowing.

Mr. McGinnis went on to say that the public policies needed to be clarified. He said there were 4 or 5 areas in the total departmental budget which they saw as problematical: General Relief, General Relief - Medical, Food Stamps, and nursing home care for the aged and disabled.

Mr. McGinnis said the goal in the Fiscal Year 73 budget was to eliminate supplementals, with the hope that either adjustments will be made within that budget or an allowance would be made for the program which is proved as public policy program for the State of Alaska.

Mr. McGinnis referred back to Mr. Warwick's question on what could be done to control the amount of money spent. He said they would just have to pay as long as the present policy remained in effect since that policy does not fix the amount a physician or surgeon can charge. It is merely up to their consciences and their usual customary fee scales.

Mr. McGinnis said that the State used to be on California's fee schedule, but three or four commissioners back it was changed to just the usual and customary fee of the doctor or surgeon. Under this method, they have to decide whether to limit the number of people to be served or the time of year they can be served.

Mr. McGinnis stated that if MEDICAID were adopted it would have an impact on the General Relief - Medical budget. It appears it might save somewhere in the area of \$3-4 million of State money. They have submitted the MEDICAID materials to the Division of Administrative Services for analysis, and he also brought in an outside consultant from Colorado who is head of the MEDICAID program there. This man wrote a report for them which will be shared with the Finance Committee.

Mr. McGinnis said it was their understanding the Senate would open hearings within the next few weeks on this subject.

He said there was a question as to how many programs would be covered under MEDICAID. Five are mandatory and there are seven optional. The states which seem to be having difficulty are those who have gone into the optional.

The Commissioner said the coming of MEDICAID would see to a fixed schedule. He added that perhaps the Department could take the position they would not pay X number of dollars for the hospital bills, and have the hospitals bill them only for their true cost. He said it would be difficult to ask the physician to reduce his fee unless there was a statutory basis to do it.

Mr. Haugen asked if the veterans still had a fee schedule, and Mr. McGinnis said yes.

Mr. Haugen asked for statistics for the other states on MEDICAID and their fee schedules.

7. Child Welfare Services - Juvenile Code -- \$298,300.
Mr. Lang said this covered two areas. \$168,300 for voluntary placement of foster children and \$130,000 to cover full cost of care legislation.

He said the amount of money which was in the budget last year was \$475 per month average for all of the children in foster care--institutional care program. He stated there were about 800 children with Family and Children's Services in the foster care--institutional care program.

They told the institutions they would pay them last year's rate plus 10% and then wait and see what happens. If the supplemental is approved the full cost rate would be paid based on an evaluation of what was valid.

Mr. Warwick asked how retroactive federal payments came about, and Mr. McGinnis said they had Administrative Services working on determining how much the federal government ought to be paying them. Through detective and accounting work they discovered that the federal government owed the state of Alaska \$1,331,500 more than they have allowed. The federal government authorities agreed this money should have been paid and the Department has a document from them stating that amount will be paid, and it is signed and sealed. They deducted 10% of the \$1,331,500 to give to the Department of Administration for services they have rendered.

Mr. Warwick asked how much they were receiving not including that. He was told this went back quite a way to the Bureau of the Budget Circular 887 for services performed by units other than Family and Social Services. This was retroactive to July 1, 1959 when it became effective on the federal level. He couldn't give figures on how much they were recovering at

the present time. He believed it was \$191,000 in BRU for the current fiscal year to recover for their support services for Family and Children's Services. It looked like this might go up to \$400,000 for fiscal year 72 for the Division of Administrative Services.

Mr. McGinnis said that they were trying to reduce categorical aid to recipients. Mr. Lang said they were talking of increasing the case loads by 750 in the adult category: 750 x 50 x 12 for the federal receipts they are anticipating under Adult Public Assistance. For Aid to Families with Dependent Children it is 1376 x 12 x 22.

Administration is another of the request areas. 62% of administration costs are federally reimbursed. Food Stamps gets approximately 30% of its needs reimbursed.

Mr. Fink said that last year the Budget and Audit Committee approved two at about \$3 million and one at about \$10 million. The back up was to replace a fair amount of state funds and free a fair amount of state funds.

Mr. McGinnis said some of this was reflected in the reduction of the supplemental request. The basic plan was to make more services available for the same or less money. He said it had been his understanding that 30 or 40 of their projects came under the guidelines. They wanted to change the State's level from a small amount to a large amount. About half of the contracts are being implemented, he said. Some of them will release tremendous amounts of additional services to the State of Alaska at no additional cost, but not necessarily reflecting pro-rated cost.

Mr. McGinnis agreed to provide all of their contracts and indicate the new levels of social services which would in fact have a budgetary effect on the state budget.

He gave an example saying that the Alcoholism budget was about \$600,000. The amount of program made available became almost \$3 million to the State of Alaska. Three times the \$600,000 was received from the federal plus making available the use of many local funds. This didn't save the state any of the \$600,000 but it opened the door to receive more monies from other areas.

Mr. Fink said that according to what the Budget and Audit Committee did, they were to have picked up \$4 million. Mr. Fink was told they were in the process now of going to administrative identification of where the money could be used, but it came nowhere near \$4 million.

Mr. Fink asked about the substantial savings in state expenditures which he had been lead to expect. Mr. Lang said they had anticipated that some of the institutional operations and foster home programs would be able to be carried by these funds, but now it doesn't appear that way. It is based on individual determination of eligibility. They can't take a whole institution, as they thought they could do when they had their initial guidelines.

One of the staff members commented that the requests they have made in HB 504 have very little relationship to the contractual services under the federal programs. The \$4 million for the Division of Corrections isn't even off the ground yet, he said. He said that right now if they have the \$300,000 supplemental they will be able to go along on status quo.

Mr. McGinnis said the contracts were in several categories:

1. The contracts are approved and not in force as of yet. Up until this point in time did not anticipate would have earned money either for the project or the state.

2. The contracts have been approved and are in force. They can make an estimate on the impact on the Department of Health and Social Services budget and its relation to the supplemental request and its relation to another state of Alaska budget outside the jurisdiction of H&SS's budget.

3. They can also create a schedule which will show the programs which will have no impact on the budget but will give an impact to the people of Alaska.

4. They can show the relation of Title 4 monies to the reduced supplemental request. They can indicate where improvements came about to change the estimate.

Mr. Degnan asked about field travel and he was told he would be supplied with that information on Thursday.

Mr. Haugen asked a question about matching money for model cities monies, and he was told that although federal monies cannot be matched by federal monies, model cities money was eliminated from that ruling, and it could be matched by federal monies.

ADJOURN Meeting adjourned at 5:40 p.m.

HOUSE FINANCE COMMITTEE

February 22, 1972

9:55 a.m.

Present: Messrs. Warwick, Degnan and Ditman. Mr. Benson and Mr. Fleek from the Division of Buildings were also present.

HB 509 Mr. Ditman called the meeting to order and announced that the subcommittee would consider HOUSE BILL NO. 509 (supplemental appropriation to Department of Public Works, Division of Buildings). This bill had been reported out of committee on February 3, 1972.

Mr. Warwick explained that when this bill was considered on the floor it had been called to their attention there was not any landscaping at the Juneau Museum, particularly not \$41,000 worth of landscaping. He explained that the Division of Buildings had been asked to give testimony on the justification of the \$41,000.

Mr. Fleek said they had to excavate, bring in top soil and separate the top soil. They also had to provide curbing. Mr. Warwick asked if this was subcontracted and Mr. Fleek answered no, this was done by state employees.

Mr. Hohman entered the meeting.

Mr. Warwick questioned Mr. Fleek and Mr. Benson on what amount of work had been done on the landscaping and what amount of work was left to complete this.

Mr. Haugen entered the meeting.

After a brief discussion, Mr. Hohman requested that the committee be furnished a report on the breakdown of the landscaping to include the involvement of the Forest Service and also the amount needed to complete the landscaping.

HB 515 The committee briefly considered HOUSE BILL NO. 515 (appropriating for extraordinary expenses incurred by the city as a result of the airplane crash of Sept. 4, 1971) and referred to information provided by Col. Byington and Mr. Charney. The committee requested additional information be requested from Commissioner Chapple and the bill was returned to file.

Recess: The meeting recessed at 10:30 a.m.

AFTER RECESS
2:30 p.m.

Present: All members except Mr. Wright

Chairman Hohman called the meeting to order and made the following bill assignments:

- SB 28 am SENATE BILL 28 am (Establishing a Violent Crimes Compensation Board) -- Haugen
- SB 29 am SENATE BILL 29 am (An Act creating the Alaska Conservation Action Corps) -- Ditman
- SB 126 SENATE BILL 126 (An Act relating to the professional Teaching Practices Act) -- Wright
- SB 258 SENATE BILL 258 (Relating to preparation of fiscal notes on bills) -- Fink
- HB 448 HOUSE BILL 448 (Relating to retirement and benefits under the judicial retirement system) -- Fink and Hohman
- HB 564 HOUSE BILL 564 (Appropriating \$680,000 for construction service units to Dept. of Public Works) -- Degnan
- HB 568 HOUSE BILL 568 (Appropriating \$214,000 to Dept. of Public Works) -- Hohman
- HB 593 HOUSE BILL 593 (Supplemental Appropriation to the Dept. of Natural Resources - \$100,900) -- Hohman
- HB 600 HOUSE BILL 600 (An Act relating to state aid to cities) -- Degnan
- HB 601 HOUSE BILL 601 (Appropriation to Dept. of Public Works - \$500,000) -- Warwick
- HB 610 HOUSE BILL 610 (Appropriation to Dept. of Public Works - \$100,000 - Crooked Creek Airport) -- Ditman
- HB 612 HOUSE BILL 612 (Appropriation to Dept. of Public Works - \$100,000 - Russian Mission (Kuskokwim) Airport) -- Ditman
- HJR 107 HOUSE JOINT RESOLUTION 107 (Urging adoption of special transportation fares for retired persons) -- Warwick

The committee went into a discussion on the Public Defender Budget and HOUSE BILL 508.

AFTER RECESS

2:35 p.m.

Present: All members except Mr. Wright. Mr. Herb Soll, Public Defender, Mr. Rick Berrier, Budget and Management, and Mr. Joe LaRocca were also present.

HB 508 Chairman Hohman called the meeting to order and announced that the committee would consider HOUSE BILL NO. 508 (Supplemental Appropriation to the Office of the Governor, Public Defender) and the budget for the Public Defender.

OFFICE OF THE GOVERNOR

PUBLIC DEFENDER

Mr. Soll said that during last year's presentation he had indicated what would be needed to meet the commitments of a coming court decision. He said that no one seemed to be willing to go on the speculation this would become a reality. He said that the House Finance Committee recommended a budget that would have worked had it not been trimmed in half by the Senate. He said that on November 19 the decision came from the Supreme Court that any person who could be deprived of his liberty and cannot afford representation is entitled to representation and the state must provide this. Mr. Soll said this has put a tremendous drain on the agency and noted the example of a case involving a Kodiak Marine that took three weeks of trial. He said the Father of this Marine had paid for quite a bit of the cost but there was still expense to the agency. Mr. Soll said the supplemental would bring them up "to the standards of handling the cases".

This supplemental provides for an office in Kenai and Mr. Soll said the Department of Law has an office in Kenai to service the entire peninsula and Kodiak and their experience has shown this office is extremely busy. He said the Public Defender agency at present has to service that area out of Anchorage and they find they are representing a higher percentage of people in this area because they now have a District Attorney.

Mr. Soll said a secretary had been deliberately omitted from this request for the Kenai office because they planned on using project WIN to train a girl who will later become a full time employee. Mr. Soll said they had two secretaries under the WIN program and they had both worked out very well. Mr. Soll noted that he had failed to notice the omission of the secretary for Kenai in the budget document and called the committee's attention to the fact that this position

will have to be funded by the State after she becomes a full time employee (the federal government pays for the training period). The Committee briefly discussed the WIN program. After a discussion with Mr. Berrier, Mr. Soll said he had found a way to fund this position within the budget request.

Mr. Soll said that last year he had presented a program whereby UCLA law students would come to Alaska, work for the Public Defender Agency and they had received confirmation from the State Bar to let these students appear and handle matter-of-fact things. Mr. Soll said despite the fact it had been proved to the Senate this would work it was still turned down by the Senate. He said he had applied for a grant under the Law Enforcement Assistance Act and on June 3, received \$30,900 for law clerks. He said they have been paying them \$450 a month and transportation. These law clerks have only been used in Anchorage and Fairbanks and Mr. Soll said they have had amazing results and he hoped that each Public Defender office can get one of these law clerks. Mr. Soll said they are still operating under this grant. He said they have had seven graduates of the program who have applied for full time work. Mr. Hohman said then the L.E.A.A. grant funded almost 100 per cent of their request. Mr. Soll said yes. Mr. Hohman asked about the prospects of continuing this grant. Mr. Soll said for one more year it is "pretty good". He said the budget request considered that they would have this grant. Mr. Hohman asked about the size of the grant in 1973 and Mr. Soll said it should be about the same -- \$30,000. Mr. Hohman asked if the request last year of \$77,000 included something other than the UCLA internship program. Mr. Soll said he believed that request included an additional lawyer.

Mr. Soll explained another grant from L.E.A.A. is for a Rehabilitation Counselor. Mr. Soll told the committee of the need in Alaska for this Counselor by saying that before the probation service was merely a reporting service. This grant has enabled them to have a full time, experienced Counselor and Mr. Soll said that several judges now look to this particular man for any kind of resolution of a case short of imprisonment. Mr. Hohman asked how much money is involved for this Counselor. Mr. Soll said this is about \$22,000 but this also includes about \$400 a month for an assistant. This assistant is a conscientious objector and Mr. Soll explained that

out of his salary must come expenses for gasoline for his car which is used to run errands, etc.

Mr. Soll discussed the November 19th decision and said this required representation of just about everybody. Statistically, this comes out to about 80 per cent of the people in trouble in Alaska, he added.

Mr. Soll said they have continued the philosophy of putting people out into the private sector if it is at all possible for them to obtain a private lawyer. He gave a GI in Alaska as an example and said he did contact the man's parents and ask them to send up money for his son's defense. He said in a number of instances this has worked.

Mr. Soll referred to the recent resignation of Juneau's Public Defender. He said this was not precisely reported.

Mr. Warwick asked what criteria is used to determine if a person can qualify. Mr. Soll said the ultimate criteria is can a man get representation from a private lawyer who can practice in this state. He said there are some cases where an employed person cannot get an attorney. He said they do bill their clients and do collect a small percentage of the bills. Mr. Soll said the statutes prohibit the Public Defender from "going after" the client and places this responsibility on the Attorney General. The Public Defender agency makes the initial billing and then turns the billings over to the Attorney General.

In answer to Mr. Fink, Mr. Soll said that everybody gets a bill for what they put into their case but a great many people will never be able to pay this.

Mr. Soll said they have a four page questionnaire on the financial position of their prospective clients. He said if the person had a readily convertible asset such as a car they would make him sell it. Mr. Fink requested a copy of this questionnaire be sent to the committee.

The committee discussed how this determination is made. Mr. Soll said he thought they would be deluding the people who really cannot afford a private attorney if they accepted clients who could afford a private attorney.

Mr. Fink asked what amount has been collected from the billings. Mr. Soll said this information is presently being typed and would be sent to the committee.

In answer to Mr. Fink, Mr. Soll said they are setting up meetings with the Assistant Attorney General and each head of the Public Defender offices and they will provide all the information on every bill without giving any confidential information.

Mr. Fink asked if he had a list of caseload by office. Mr. Soll said he has a breakdown for every single case charged and the disposition of the case. He said he has not been able to have this properly typed without running up an overtime bill. He said he would mail this to the committee.

Mr. Fink asked if he was getting involved in opening offices for political reasons rather than need. Mr. Soll said no. He explained that Ketchikan has a much busier office than Juneau because Juneau is a "white collar community". Mr. Soll said they handled about 730 cases in Anchorage last year and about this same number in Fairbanks.

Mr. Fink asked if the financial questionnaire is given to the Attorney General. Mr. Soll said no but if he asked for it then they could give it to him. However, they are providing a summary of each bill.

There was a discussion on the relationship between the police and the Public Defender.

Mr. Degnan asked if there was a need for interpreters in the agency. Mr. Soll said they have two interpreters hired under the guise of secretaries -- one in Anchorage and one in Nome. Mr. Soll said there is difficulty sometimes and said that five of the policemen in for training from Bethel needed to have interpreters. Mr. Soll said what they need to do is to have a lawyer who has the culture background and speaks the language of his clients. He said he would hope this day would come. He told Mr. Degnan that they do not have a full time job for an interpreter.

The committee discussed the salary of the Public Defender in Nome. Mr. Hohman said the budget document indicated this was an Attorney V and his salary is \$35,000. Mr. Soll said he is an Attorney IV and is underfilling this position because this attorney

has not had the years of experience required for an Attorney V. The area differential is also included in this and the committee discussed this. Mr. Soll said he thought the Attorney in Nome actually makes about \$27,000.

Mr. Hohman said he thought there was a little "fat" in the personal services budget. Mr. Soll said he thought it would be unrealistic to reduce this position (attorney in Nome) to a IV when it was possible they would be hiring an attorney who would qualify for the Attorney V.

Mr. Berrier said that he thought the administration had taken a logical step in this area as Commissioner Henri had sent a memo to all agencies which prohibits money transfers from personal services with the exception of transfers to contractual services.

Mr. Fink referred to a request made from the Committee to Mr. Charney. This information (Draw-Down on Salary Increase Funds for FY 1972) was distributed to the committee.

Mr. Warwick asked Mr. Berrier why he was defending this budget and had not defended the budget for the Court System. Mr. Berrier explained that they had looked at the Public Defender budget in relation to the entire Criminal Justice system. He said the budget the Governor's Budget Review Committee decided on is synonymous with the agency's request. He said this budget is based on need and he felt that the Court System budget was gross and erroneous. This was briefly discussed and the committee adjourned

Adjournment: at 4:15 p.m.

HOUSE FINANCE COMMITTEE

February 23, 1972

8:45 a.m.

Present: All members except Mr. Wright. Mr. Frank Seymour, Alaska Visitor's Association, Mrs. Seymour, and Representative Helen Fischer were also present.

HB 554 The committee had been discussing the Alaska Travel Division Budget (see budget minutes).

Mr. Seymour said he agreed with the view that Representative Fischer would present to the committee on HOUSE BILL NO. 554 (General obligation bonds \$30,000,000 capital improvements for civic, convention and recreation centers).

Mrs. Fischer spoke on the need for this bill. She said she had discussed this with the Commissioner of Economic Development and she felt this is a very needed program not only for tourism but for intra state travel. She asked the committee to act favorably on this bill so that it could be put on the November ballot. Mrs. Fischer said she felt this provided for a statewide program and that many of the smaller areas that have not been ready are now trying to raise money to go into this program. She said that Juneau had presented a very good plan.

Mr. Haugen asked if the idea of the bill is that the state will match 50/50 with local communities and Mrs. Fischer said yes.

Mr. Warwick asked how the \$30 million figure had been arrived at and Mrs. Fischer said she had discussed this with Commissioner Ryan and she felt this would be sufficient for a number of years. Mrs. Fischer pointed out that these bonds do not have to be sold until they are ready to be used. She said she liked to "legislate for years ahead" not just for the present, particularly in a capital improvement program. She felt this would provide a great need for the communities.

Recess: The committee recessed at 9:05 a.m.

AFTER RECESS
3:05 p.m.

PRESENT All members. Mr. Jim Moody, Mr. Bill Hunors, and Capt. Schmidt from the Division of Aviation; Commissioner George Easley from the Department of Public Works; Mr. Myrt Charney and Mr. Ron Lind from the Division of Budget and Management; and Mr. Joe LaRocca, AP, were also present. Representative John Huber was in attendance.

HCR 15 Chairman Hohman stated that HOUSE CONCURRENT RESOLUTION NO. 15 (Relating to the Lake Minchumina Airport) was up for discussion. He asked Mr. Huber for his testimony.

Mr. Huber said that HCR 15 was brought about because of the concern of some of the people at Lake Minchumina. The concern was that by FAA pulling out they were going to lose the use of the air strip. He explained that Lake Minchumina had a 4600 foot air strip which had been maintained and lighted by FAA for years.

Mr. Huber stated that it was a very small community there at the present time, but pointed out it had great potential with the State land selection there. Lake Minchumina was one of the largest lakes in the State and it had great fresh water fishing. However, the community was totally dependent on air transportation. Mr. Huber said that by FAA moving out winter maintenance was taken off. He went on to say that certain equipment was there, but part of it was removed last December. He stated it was not possible to consider that the community could continue to exist without the airport being available.

Mr. Huber realized there were other areas in Alaska that didn't have airports, but here they already had the facility. He said he had been listening to the amounts of money available and he knew the problems of funding airports for the State. He didn't know what the Division of Aviation had in mind for Lake Minchumina. However, he said that if the State was at a point where it had such priorities that it couldn't keep the air strip open any other way, he had been authorized by Mr. Holmes, who has the power contract at Lake Minchumina, to tell the Finance Committee that he would guarantee he would keep the strip open and useable for a contract sum of \$8,000 a year guaranteed maximum. That would be for minimum service, but it meant that the strip would be plowed after a storm and so on. It didn't mean taking care of state owned equipment or anything else.

Mr. Huber recommended that they go over the \$8,000 figure. He thought that arrangements should also be made to have the strip lighted.

Mr. Fink asked if this was the one means of transportation, and Mr. Huber said they could fly out by ski plane now.

Mr. Fink referred to the January 21 letter in their files from Commissioner Easley to Don Young which stated the problem had been evaluated and the conclusion had been reached that the money was best spent elsewhere. Mr. Fink pointed out that letter showed the population of the area as 7.

Mr. Huber said that the question of population had been discussed in the House State Affairs Committee, and he mentioned that Mr. Holmes had given him a list of residents which numbered about 23 or 24. The committee had copies of this.

Mr. Huber said that FAA still had electronic gear there which was remotely controlled, so Lake Minchumina was still used as a communication point. Mr. Huber said there was a consideration they should make that when the community went without power so did the navigational aids and communications that exist.

Mr. Fink asked if FAA would let its remote controlled equipment go dead, and Mr. Huber's understanding was that they would.

Mr. Hohman asked who was liable if the runway wasn't plowed properly and a plane was in an accident. Mr. Huber suggested he talk to Sen. Young who had a contract like that on Fort Yukon. He added that he thought the people in the Division of Aviation could determine this.

Mr. Huber said that the intent of the sponsors of the Resolution had been to keep the strip open for less than \$10,000 a year. However, when the Department of Public Works determined the amount of money it would cost, their ideas of maintaining it were to a greater extent. Mr. Huber thought that the amount the spoke of was justified, however he felt that in order to keep the strip from going down the drain and thus the community, he thought the \$8,000 contract was the best bet.

Mr. Huber reminded the committee that the State has two or three townships selected on this large lake. The lake is a major recreation area for the State and a major tourist attraction area. He didn't think they should throw away the airport they have when they were throwing a community away along with it.

Capt. Schmidt said the State's position was as stated in the letter to Sen. Young. It is non-existent as far as priorities are concerned. As far as plowing snow was concerned, Capt. Schmidt said it was not a State airport and their

insurance would not cover any accidents that might occur, and if the State was responsible for having the strip plowed, it was the State they would go to for redress.

Mr. Hohman asked if the State was involved in contractual arrangements in other places, and Capt. Schmidt said the State had contract maintenance in about 73 airports, but they were all State airports.

Mr. Hohman asked whether \$8,000 was a reasonable figure, and Capt. Schmidt didn't know what was considered in that money, but if it was just for his time and didn't include maintenance of equipment, he thought it was low.

Mr. Hohman asked whether the Division of Aviation had had a chance to look into Mr. Holmes' offer, and Capt. Schmidt said that they had been unaware of such an offer up to that date. Capt. Schmidt didn't know if they could handle the offer from the liability standpoint.

Mr. Hohman asked if the State picked up the premiums for other places, and Capt. Schmidt said if the State maintained a place it had State insurance.

Mr. Hohman pointed out that the Lake Minchumina airport was on a straight line between McGrath and Fairbanks.

Mr. Hohman said the committee requested they look at the contractual offer that Mr. Holmes had made.

RECESS

Meeting recessed at 3:40 p.m.

HOUSE FINANCE COMMITTEE

February 24, 1972

1:40 p.m.

Present: All members. From the Department of Health and Social Services Commissioner McGinnis, Mr. McLean, Mr. Harris, Mr. Pagenkopf, Mr. Mailer and Mr. Lang were also present.

HB 504

Chairman Hohman called the meeting to order and announced that the committee would consider COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 504 (a supplemental appropriation to the Department of Health and Social Services).

Material was distributed on the Revision of Supplemental Appropriation Line Items and a proposed Finance Committee Substitute for House Bill No. 504 (see pages 209-212).

Mr. Wright asked if there was any truth to the rumor about "traffic in food stamps". Mr. Harris said about three months ago there was a case of a person in a hotel purchasing and then selling food stamps. In answer to Mr. Wright, Mr. Harris said there has been "no wholesale abuse" of the food stamp program.

Mr. McLean said some of the things they would like to see changed on the food stamp program cannot be changed because they are bound by federal regulations.

Mr. McLean referred to the Finance Committee Substitute for House Bill No. 504 which had been prepared by his Department. He said this was the result of their last meeting with House Finance and reduces the supplemental total to \$4,914,200 (the HWE Committee Substitute for HB 504 was for a sum of \$6,930,700).

There was \$384,400 for Family Services, Administration on the HWE Committee Substitute and this was not included on the proposed Finance Committee Substitute.

Mr. Degnan noted that AFDC monies were also excluded from the Finance Committee Substitute and Mr. McLean explained that this would also come out of the federal money they will be receiving.

The committee discussed the other amounts that had been pulled out of the HWE Committee Substitute and would be funded by the additional federal receipts. Mr. Warwick questioned the difference of \$400,000 still unaccounted for and this was briefly discussed.

Mr. Fink asked how the additional money on the food stamp program will be used. Mr. Mailer said this will mostly be in the area of positions needed for data processing, quality control in the field and about 5 positions in the Central Office. This would be \$35,980 for a period of 3 months. Mr. Wright asked the amount for travel and Mr. Mailer said this is \$3,398 for a period of 3 months.

Mr. McLean said the HWE Committee felt there should be money to upgrade services to the food stamp program.

Mr. Charney from Budget and Management entered the meeting.

Mr. Wright questioned the money that the Department had been authorized last year and the amount they had actually received. Mr. McGinnis told the committee he would prepare a profile outline for the committee showing the relationship of the supplemental to the difference between that requested and that granted this time last year.

Mr. Fink asked if the \$18 million to be received from the federal government would result in state savings. Mr. Lang said this information was presently being prepared by their department and would be arriving shortly. Mr. Hohman said they would defer discussion on this until later in the meeting.

The committee went into a discussion on the budget for the department (see budget minutes).

MEMORANDUM

DOCUMENT #2

TO: The Honorable George Hohman, Chairman
House Finance Committee

DATE: February 24, 1972

FROM: Frederick McGinnis, Commissioner
Department of Health & Social Services

SUBJECT: Revision of Supplemental
Appropriation Line Items
CS for HB 504

In response to your letter of February 22, requesting additional information on various subjects, we would like to respond to your letter as follows:

1. An estimate for the Adult Public Assistance recipients for 1973 is as follows:

Aid to the Blind	90
Aid to the Disabled	1410
Old Age Assistance	<u>2160</u>
	3660

2. A copy of the special memo to the Governor on the Food Stamp Programs has previously been furnished.
3. The value of the Food Stamp Program is approximately 10 million dollars per year. Of this, 2 million is paid for by recipients of the Food stamp Program and 8 million are bonus coupons. For your information, we are attaching a copy of the November 1971 report. The month of November cannot be considered representative as there is a large seasonal fluctuation in this program. (Tab A)
4. A medical fee schedule for the Veterans Administration is no longer in existence. The VA uses the 1969 California Relative Value Schedule. The Division of Family and Children Services has written to other states for fee schedules, but they are not yet available. They will be forwarded to you as soon as they are received.
5. Through the use of the HEW retroactive, indirect services monies in the amount of \$1,198,400.00, the supplemental request can be altered as follows: (Proposed committee substitute for CSHB 504 attached Tab B)

	<u>GEN FUND</u>	<u>FEDERAL</u>	
APA	29,500	-0-	Code 300
	806,100	266,000	" 700
FSP	350,000	150,000	All Codes
GR	140,400	-0-	" "
GR Med	2,202,100	140,600	Code 300
CWS/JC	<u>298,300</u>	<u>-0-</u>	" 300
Total	3,826,400	556,600	
GRAND TOTAL			<u>4,383,000</u>

February 24, 1972

6. Also attached to this memo are copies of the contracts, as well as a breakdown by program source of funding and possible savings of state dollars as a result of these contracts. (Tab C) ✓

7. Breakdown of Travel Funds

	<u>TOTAL</u> (Gov Recomm)	<u>STAFF</u>	<u>ADVIS</u> <u>BOARDS</u>	<u>RECIPIENT</u>
OAA	2,700	2,700	--	--
Disabled	29,700	1,100	--	28,600
Family Prog Unit	300,000	286,600	13,400	--
Gen Assistance	11,400	1,400	--	--
WIN	18,600	18,600	--	--
Admin & Support	40,400	40,400	--	--
Off of Alcholism	<u>74,000</u>	<u>55,500</u>	<u>18,500</u>	<u>--</u>
TOTAL	476,800	= 406,300	+ 31,900	+ 38,600

FM:mm

NOVEMBER 1971 FOOD STAMP REPORT

Coupons Issued 740,675

Cash Received 120,659

Bonus Distributed - - - - - 620,015

Original sponsor: Rules Committee by
request of the Governor

Offered:
Referred:

BY THE FINANCE COMMITTEE

IN THE HOUSE

CS FOR CS FOR HOUSE BILL NO. 504
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making supplemental appropriations to the
Department of Health and Social Services; and pro-
viding for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. The sum of \$4,914,200 is appropriated to the Department of
Health and Social Services for estimated unfunded operating costs for the
fiscal year ending June 30, 1972, to be allocated according to the following
schedule:

Public Health	\$	147,700
Mental Health		83,500
Corrections		300,000
Family Services		4,383,000
Adult Public Assistance	\$1,001,600	
Food Stamps	500,000	
General Relief	140,400	
General Relief - Medical	2,342,700	
Child Welfare Services -		
Juvenile Code	298,300	
Funding		
General Fund	4,357,600	
Federal Program Receipts	<u>556,600</u>	
	<u>\$4,914,200</u>	

* Sec. 2. This Act takes effect on the day after its passage and
approval or on the day it becomes law without approval.

HOUSE FINANCE COMMITTEE

February 25, 1972

1:40 p.m.

Present: All members except Messrs. Warwick and Ditman.

Bill Chairman Hohman called the meeting to order and assigned Assignment the following bills:

- HB 627 HOUSE BILL 627 (Appropriating to Dept. of Public Works. \$50,000 Holy Cross Airfield) -- Haugen
- HB 688 HOUSE BILL 688 (Appropriating to Office of the Governor Division of Elections. \$90,000) -- Degnan
- HB 696 HOUSE BILL 696 (Relating to state data processing activities and facilities) -- Ditman
- SB 229 SENATE BILL 229 (Establishing Alaska Historical Commission) -- Hohman
- SB 236 SENATE BILL 236 (Establishing food service and nutrition education program for children) -- Wright

The committee went into a discussion on the budget for Health and Social Services (see budget minutes)

HOUSE FINANCE COMMITTEE

February 26, 1972

10:15 a.m.

PRESENT

All members except Mr. Fink. Emery Chapple, Commissioner of the Department of Public Safety and Deputy Commissioner Pat Wellington of that agency were also present. Mr. Fred Boetsch, Director of Revenue Audit, Department of Revenue and Mr. Arnie Bue, Supervisor of Corporate Income Tax Audit, and Dick Engen, Director of Division of Libraries, were also in attendance.

SB 1

Chairman Hohman called the meeting to order and stated that SENATE BILL NO. 1 (An Act establishing a police standards council) was under discussion.

Mr. Wellington explained that the history of the bill is that it has been in the legislature for a number of years. He said that chiefs of police, during an annual meeting in Ketchikan in October, 1972, felt that one major point in the bill was not acceptable. He explained that the particular point involves the makeup of the council itself and the commission. He stated that the majority of the council should be made up of city members and chiefs of police.

He said that the object of the bill was to attempt to apply some standards and a program oriented around small towns and bush communities. He said that at present, no background was conducted upon an officer, and no formal education was required. He added that such a policy could occasionally lead to problems with the police officer which could lead to embarrassment for the department.

Mr. Wellington added that there was a possibility of the city being held negligent as a result of a mistake made by an officer if a citizen took action of suit through agencies such as Legal Services, the Public Defender, and the American Civil Liberties Union.

Mr. Wellington said that it was through L.E.A. funds that they had received a grant for police training, and that the Sitka Academy had a five-week intensive training program. He said that the funding was adequate as long as the federal funds held out, but it was felt there should be more input by the cities themselves for standards and training requirements.

Mr. Wellington mentioned that he had spoken with Chief Sundberg who believed that the composition of the council could change in order to add certain administrative officers and other members of each particular city so that the council was more or less governed by the city.

Commissioner Chapple then passed out information consisting of cities involved with the program during the first session, those communities involved in the present program, and a list of villages participating in the program.

Mr. Wellington said that the Department of Public Safety tried to make requirements in training through L.E.A. funds that said that, through the council made up of city people, they could meet the needs and that the councils could set their own requirements.

Chairman Hohman referred to the list of police officers.

Mr. Wellington explained that those police officers were presently on the force and had received L.E.A. funding and had gone into the program. He added that they had extended the four-week program to a five-week program. He said that the list represented almost the entire state.

Representative Warwick asked why the bill was necessary to carry out the program. Mr. Wellington explained he felt it was the function of the city to have police standards.

Mr. Warwick asked if the cities had to comply if the bill was passed. Mr. Wellington said that if the cities do not comply, they are not entitled to join the program.

[Mr. Wright entered the meeting.]

Mr. Warwick referred to page 4, section (b) of the bill and remarked that communities were not eligible for sharing revenues if they did not comply. Mr. Wellington said that was correct.

Mr. Warwick said they had received telegrams urging that no action be taken on this bill. He asked why the bill was so unpopular. Mr. Wellington answered that this actually took the control from the cities.

Commissioner Chapple stated that the training now existing (Anchorage is not participating) is entirely a federal and state expense. He said that eventually money will "dry up" and then cities will be forced to pay for it when they do not want to. He added that Anchorage and Fairbanks have nothing to be concerned about, but the situation would be very difficult for smaller areas.

Representative Wright stated that the administration in Anchorage was opposed to the program.

Representative Warwick asked how much it cost to train the men under the present program. Mr. Wellington stated that it cost

\$1,000 per man plus salary for a five-week training course. That cost included transportation.

Chairman Hohman asked about the composition change of the council, and referred to the fact that there was a Committee Substitute for SB 1. He asked Mr. Wellington if he was suggesting an amendment. Mr. Wellington said yes, that he was suggesting an amendment, and went on to describe the composition change on the council. The change would include: 3 police chiefs, 3 officials or employees with general executive or legislative responsibility, the Attorney General, the Commissioner of the Department of Public Safety, and 1 member from the general public.

Chairman Hohman remarked that the nine-member board was changing only in make-up and not in number.

He then asked about the housing situation at the Sitka Academy. Mr. Wellington explained that Sheldon Jackson Junior College owned the building now in use for the training programs, and that the facilities there were not adequate. He said that 30 people could be boarded there and that they had upgraded the building to make it livable.

Chairman Hohman asked if the state paid for the expense of remodeling, and Mr. Wellington said yes.

Chairman Hohman asked if they rented from Sheldon Jackson. Mr. Wellington answered that they did rent from the Junior College at the rate of \$16 per day per man which included food. This rent is applicable only during training sessions, and janitorial services are also paid for the training.

The Chairman asked for the total investment in the Sitka academy for one year. Mr. Wellington stated that the total was \$90,000 this year, and seven or eight full-time instructors and two clerical positions were also maintained during the sessions. He said that next year, 40 to 43 weeks of in-house training would take place, whereas this year, there were just 37 weeks of in-house training. Training includes state troopers, firemen, and emergency medical training which is paid for by highway safety funds. State money is used to train state troopers. LEAA funds of \$43,000 went to city policemen and \$60,000 for village training. Next year LEAA request funds will be \$63,000 for cities and \$65,000 for villages.

Mr. Wellington stated that there was no reason two school training programs could not be held at the same time (for example, a city-police training program and the State Trooper program) if housing facilities were adequate. He also stated

that Sheldon Jackson, due to their own increased needs, will be taking back the building sometime next year.

Mr. Warwick asked how the mechanics of the bill could be implemented. He was referring to temporary positions of police officers. Mr. Wellington said that it was the attempt of the Police Officers Association to try to bring some standards to policing in Alaska.

Mr. Warwick stated that the committee had a fiscal note saying that it did not cost the state anything. Commissioner Chapple said that there was cost for travel and per diem of the council. He added that there has been no federal funding for training troopers.

Mr. Wellington stated that the original bill was drafted by chiefs of police. He added that by watering down the bill a little, it was possible to get larger cities which now object to go along with it, but that Anchorage does not want a police standards' goal at any time. The Commission, once appointed, could set a standard number of rules for police training. The commission certifies their training program. Anchorage and Fairbanks are the only communities which can afford their own training program. He said that the bill is primarily designed to teach police officers in small villages such as Bethel and Nome.

Representative Warwick asked if people undergoing this training qualify under chapters of this bill. Mr. Wellington replied that they do. Commissioner Chapple stated that the commission sets up qualifications.

Mr. Wellington stated that 33 states have similar types of legislation. They deal with criminal record, education and training of the police officer in question.

Representative Degnan asked what level of training and education would be necessary. Mr. Wellington replied that most cities require the applicant to be a legal citizen (legal age) with no record of felony, and they would then prescribe rules of training and rules could be tailored to meet requirements of the state itself.

Commissioner Chapple added that the commission could make requirements for different levels of cities. Some levels have standards in Anchorage that would not be necessarily applicable to Kotzebue.

Representative Haugen referred to the pointlessness of watering down the bill.

Representative Warwick asked how many policemen in the state did fall under this category. Mr. Wellington said approximately 300 would apply.

Mr. Haugen stated that the policeman should realize his responsibility before receiving training and aid.

Mr. Wellington said the commission could make recommendations to the legislature for standards.

Mr. Wellington stated that the police profession in Alaska should be on a par with other professions as far as minimum standards were concerned.

Mr. Wright said that communities not wanting these standards should not have to have them.

Chairman Hohman asked what size a facility would be needed and if any planning had yet been done considering that Sheldon Jackson would take back the building now in use for training. Commissioner Chapple mentioned two plans: one being a modest approach decided upon by the Department, and the other being planned (in the Alaska State Housing Authority program) by an outfit down south. He stated that they did have ground available in Sitka to accommodate buildings in the ASHA program. He said it was a long-term dollar-a-year lease, adjacent to the Sheldon Jackson complex where they would still be able to use the Sheldon Jackson library, cafeteria, auditorium, and gym. He saw no way open to duplicate a million-dollar facility when adequate facilities were already available, and only for \$16 per day per man.

Representative Degnan asked whether the weather in Sitka had anything to do with the training program being located at that site. Commissioner Chapple said that it was possible to train men in Sitka twelve months of the year in doors and out of doors.

Representative Wright inquired about additional costs with the new building. Mr. Wellington said that food services at Sheldon Jackson would drop down, although maintenance costs would be necessary for the new building once constructed.

Representative Wright asked if the committee had specifically collected comments from any communities in the State regarding the bill. Chairman Hohman said that the committee had not done so, but that the City Managers Association would be meeting in Juneau next week. He then asked if there were any other comments or questions regarding SB 1. There being no further discussion, SB 1 was returned to file.

The Committee then considered HOUSE BILL NO. 515 (Appropriating for extraordinary expenses incurred by the state as a result of the airplane crash September 4, 1971). Chairman Hohman stated that the request would affect both Department of Military Affairs and the Department of Public Safety. He also mentioned that a cost breakdown was received from Public Safety and had been placed in the committee members HB 515 files.

Commissioner Chapple stated that the Finance Committee had requested a cost breakdown by items and not by vendors. Chairman Hohman said that a cost breakdown by vendors was needed and requested one at a later date.

Representative Haugen stated that there was a total of \$68,000 involved, and he suggested that the bill be sent out with a do pass recommendation.

Representative Warwick asked why money was directed to National Guard salaries. Commissioner Chapple explained that it was because the salaries do not fall under Military Affairs, but fall under other state salaries.

Representative Warwick asked for further explanation regarding payment of salaries.

Commissioner Chapple and Mr. Wellington explained that the National Guardsmen who were on duty at this time had been called away from their state jobs at various agencies. They stated that most National Guardsmen have other full-time jobs (mostly with the state) and the various agencies wish to be reimbursed for salaries paid out to the men during their absence while on National Guard duty relating to the accident.

Chairman Hohman declared this situation of reimbursing state agencies for salaries appeared to be "double-funding", since the salaries had already been appropriated. Chairman Hohman requested justification for salary reimbursement to the National Guardsmen (\$9,700).

Mr. Wellington stated that the Department of Public Safety did not charge for any of their people.

Representative Warwick referred to the Department's statement that reimbursement was an administrative decision. He asked for a more explicit explanation. Commissioner Chapple stated that the Department was told that they would be reimbursed by Alaska Airlines for expenses but when billing came in from Military Affairs, which brought the total to \$60,000, Alaska Airlines had not paid them back. He also said that the vendors have been paid by the State and now Alaska Airlines is undergoing a suit for nonpayment.

Commissioner Chapple went on to say that the Department of Public Safety was proud of their agency and the job done by them in following up on the accident and of the original low cost of \$26,000.

Representative Warwick asked if there would be a supplemental request for the remainder. Commissioner Chapple expressed doubt that Alaska Airlines could pay the sum.

Chairman Hohman asked if there were any other questions relating to HB 515; there were none, and HB 515 was returned to the files.

[Commissioner Chapple and Deputy Commissioner Wellington left the meeting.]

HB 512

HOUSE BILL NO. 512 (Computation of taxable income under the Alaska net income tax) was brought before the committee for consideration.

Mr. Fred Boetsch, Director of Revenue Audit, and Mr. Arnie Bue, Supervisor of Corporate Income Tax Unit, were present.

Mr. Bue distributed to the committee members copies of the fiscal note and a memorandum of revised Corporate Income Tax revenue projections. (See page 224 of minutes.)

Mr. Boetsch stated that the investment credit re-established last November is Section 50 of the Revenue Code and provides for a 7% credit on new investment in capital assets by industry.

The purpose is to stimulate business and therefore employment.

He stated that they wish to eliminate this form of computation of Alaska income tax for two reasons: 1) loss of income to state as a result of businesses in the state taking this credit and 2) the administrative problem of dealing with the on-again/off-again attitude of federal government. He stated that he believed policies established by Congress of using tax credits to stimulate business is not necessarily applicable to Alaska although applicable to the country as a whole.

Mr. Boetsch referred to the computation distributed, saying it was based on corporate income tax filings of 1968, projected through 1977, and the growth rate of 2.1% has been applied to the first two years and increased to one-third in 1975 to 1977 to 3.2%.

Representative Warwick asked if the state allowed credit last time. Mr. Boetsch said yes.

Mr. Bue stated that the job development purpose of investment credit will be felt by industry in their federal taxes paid. He added that this will spur on the economy in Alaska. By Alaska not allowing the tax credit, there will not be much harm done to Alaska industry.

Chairman Hohman asked if there were any further questions. There being no further discussion, Mr. Boetsch and Mr. Bue left the meeting.

Representative Warwick moved and asked unanimous consent that HOUSE BILL NO. 512 pass from committee with a "do-pass" recommendation.

No objection. So ordered.

(Representative Haugen signed the report with a "do-not pass" recommendation.)

Representative Warwick stated that he would carry the bill on the floor.

HB 525

HOUSE BILL NO. 525 (Relating to transportation allowance for legislators) was brought up for discussion. Representative Haugen moved that HOUSE BILL NO. 525 be passed out of committee with "no-recommendation".

There being no objection, it was so ordered, and HOUSE BILL NO. 525 was passed out of committee with "no-recommendation".

HB 542

HOUSE BILL NO. 542 (Appropriating \$22,000 to the Department of Education, Division of Libraries) was brought up for discussion.

Richard Engen, Director of the Division of Libraries was present. He stated that he endorsed the bill. He told the committee that the Division had a limited amount of money this year. He said that federal funds were designed to be phased out and next year there would be no regional medical program funds. He added that the \$22,000 was designed to take up the slack in funding.

He stressed the importance of the Alaska Health Sciences Information Center in Anchorage.

Mr. Engen stated that the proportion of services was 50% in the Anchorage area and 50% in rural areas. He said they were provided with telex this year which provides contact with the University of Washington Health Sciences Library.

Mr. Engen mentioned the "Medline" service which would bring Alaska in contact (through RCA computers) with the National Library of Medicine.

Representative Warwick asked when the money was needed. Mr. Engen replied July 1. He mentioned that the National Library of Medicine handles finances on a calendar-year basis, but Ms. Ursula Strash, Director of Alaska Health Sciences Library, believes it is possible to get by with the money presently available through June. He added that the personnel had already been paid for.

Representative Warwick asked why it was not included in their budget. Mr. Engen replied that it is not included in the original, but approximately \$8,000 is now in the budget.

Reference was made by the Chairman to the satellite now in operation, and Mr. Engen stated that it was in a state of deterioration. Chairman Hohman mentioned ATS-1's direct connection with Bethesda.

Mr. Engen stated that facsimile capability requires \$30 per month for a telecopier. He said it would result in contact with the greatest point of medical information in the country.

Chairman Hohman stressed the importance of Bethel arranging an agreement with Associated Press to use their machines.

The Chairman continued to say that Bethel's position is unique in that RCA has amended their application in a way that is detrimental to rural communication in the state.

Mr. Engen stated that he was not aware of the situation but said that it would affect them too. He added that they were proceeding on the assumption that they will have a compatible system for an information exchange.

Chairman Hohman mentioned that Bethel pays \$5,000 - \$6,000 a year to Associated Press for the hook-up line, and again stressed the possible arrangement made for compatibility with Associated Press.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

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Reference was made to the back-up from Wilson charts, showing history of utilization.

Chairman Hohman asked if there were any further questions.

Representative Degan moved and asked unanimous consent that HOUSE BILL NO. 542 be passed out of committee with a "do-pass" recommendation.

No objection. So ordered.

The meeting was then adjourned at 12:00 p.m.

MEMORANDUM

TO: R. D. Stevenson
Deputy Commissioner

Through: T. L. File, Chief
Income Tax Section

T. L. File

FROM: A. L. Bue, Supervisor
Corporate Income Tax Unit

DATE: January 26, 1972

FILE NO:

SUBJECT: Fiscal Note Request--
HB 512

Following are revised Corporate Income Tax Unit revenue projections (which take into consideration HB 512) compared with current projections:

(Thousands of dollars)

	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>
HB 512 projection	\$7,072.6	\$8,454.0	\$8,893.3	\$8,930.7	\$8,776.3
Current projection	<u>6,906.9</u>	<u>8,288.3</u>	<u>8,726.6</u>	<u>8,708.7</u>	<u>8,563.1</u>
Net gain in revenues	<u>\$ 165.7</u>	<u>\$ 165.7</u>	<u>\$ 166.7</u>	<u>\$ 222.0</u>	<u>\$ 213.2</u>

BASIS FOR PROJECTIONS: (Percentages)

	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>
HB 512 growth rate	8.4	22.4	23.2	16.2	7.2
Projected growth rate	<u>6.0</u>	<u>20.0</u>	<u>20.0</u>	<u>13.0</u>	<u>4.0</u>
Growth rate increase	<u>2.4</u>	<u>2.4</u>	<u>3.2</u>	<u>3.2</u>	<u>3.2</u>

These growth rates take into consideration the new accelerated depreciation of the North Slope Pipeline, the advent of increased activity centered around oil feeder and gathering system construction in 1977, and the provisions of HB 512 which does not allow the taxpayer to apply as a credit against his tax liability the job development investment credit allowed as to Federal taxes under Internal Revenue Code Sec. 50.

ALB:mbc

HOUSE FINANCE COMMITTEE

February 29, 1972

9:10 a.m.

Present: All members except Mr. Ditman.

SB 182 Chairman Hohman called the meeting to order and said that the committee would consider SENATE BILL NO. 182 (an Act appropriating \$3,503.75 to Harmon R. Helmericks for loss of a boat used by Fish and Game).

The bill was reassigned to Mr. Hohman. He read the fiscal note on the bill (see file).

After a brief discussion, Mr. Degnan moved and asked unanimous consent that SENATE BILL NO. 182 pass from committee with a "no recommendation" vote. No objection, so ordered.

Recess: The meeting recessed at 9:15 a.m.

JOINT MEETING OF THE
HOUSE FINANCE AND HOUSE STATE AFFAIRS COMMITTEES
February 29, 1972
1:55 p.m.

PRESENT Members of both committees. Mr. Ken Gain and Mr. Ernie Spink were present representing ASHA, and Commissioner Henri and members of his staff were present from the Department of Administration.

Chairman Hohman called the meeting to order and stated that the subject of ASHA was under discussion. He asked Commissioner Henri to begin the discussion.

HCR 4 Commissioner Henri said they were trying to persuade the Committees on several resolutions, particularly HOUSE CONCURRENT RESOLUTION 4 (Relating to the leasing of space from the Alaska State Housing Authority). It entails the construction of state offices and court house buildings in various places in the State to house State of Alaska functions. He explained that shortly after he was appointed he realized that the State faced constant problems in finding additional space to house State activities. They are problems inasmuch as the rents rise repeatedly and the space is scarce. He said the State's functions were expanding and 1,000 1/2 new employees had been added to the payroll. Furthermore, he said the need to pay rent year after year provided no equity. Mr. Henri stated that in 1966 ASHA was first started, whereby the State could pay rent to ASHA and at the end of a certain amount of time this would give the State its own real estate. He said the State owned the Capitol Building which was dedicated in the 1920's and the Alaska Office Building which was dedicated in 1939. He pointed out that those two buildings were well built and had long lives, and they were paying no capital outlay. Mr. Henri felt it was sound philosophy to own buildings which the State will need over the next 15 or 20 years. With that in mind, he had hired a study done on space needs from the present to 1985. That study had been furnished to each member of the Finance Committee. The study was in two volumes and included their findings in Fairbanks, Anchorage, Juneau, Kenai, Kodiak, and Sitka. HCR 4 implements the findings of the study.

Mr. Henri said that accompanying the Governor's letter was a chart by Mr. Dick Bradley telling the capital cost of each building and the square footage they were seeking. \$54 million is the total cost of the capital improvements. Mr. Fink asked for a copy of the Governor's letter of transmittal which they had not received copies of.

LOCATION	GROSS SQ. FT.	NET SQ. FT.	COST/YR. 20 YR. AMORIZATION & SANITATORIAL, HEAT ELEC. ETC.	CAPITAL COST	CURRENT LEASE COSTS/YR.	COST/SQ. FT. TO OWN/YR.	ESTIMATED COST/SQ. FT FOR COMPARABLE RENTAL SPACE/YR.
<u>Juneau</u>							
Records Center	17,951	16,156	114,747	822,035		6.40	6.00
Public Safety & Trans. Bldg.	116,941	96,000	1,081,321	8,246,277		9.25	9.60
Regional Office Bldg.	126,941	104,000	1,379,278	10,188,710		10.00	9.60
[.452]	(57,446)	(47,065)	(551,482)	(4,421,084)			
TOTALS JUNEAU	261,833	216,156	2,575,346	19,257,022	1,051,950		
<u>Anchorage</u>							
**Public Works Maint. Bldg.	19,355	18,000	91,410	618,527		4.72	6.00
**Testing Lab. Bldg.	8,252	7,574	53,705	360,296		6.51	12.00
**Airport Bldg.	61,176	52,000	517,242	4,072,383		8.45	9.60
**Regional Office Bldg.	185,176	154,000	1,583,542	12,525,793		8.55	9.60
**Public Safety/ Mil. Affairs Bldg.	41,667	37,500	316,417	2,346,076		7.59	9.60
**Labor Bldg.	36,978	31,432	322,838	2,584,318		8.73	9.60
[100.0]	(36,978)	(31,432)	(309,924)	(2,480,945)			

LOCATION	GROSS SQ. FT.	NET SQ. FT.	COST/YR. 20 YR. AMORIZATION & JANITORIAL, HEAT ELEC. ETC.	CAPITOL COST	CURRENT LEASE COSTS/YR.	COST/SQ. FT. TO OWN/YR.	ESTIMATED COST/SQ. FT. FOR COMPARABLE RENTAL SPACE/YR.
TOTALS ANCHORAGE	352,604	300,606	2,885,154	22,507,393	1,182,260		
<u>Fairbanks</u>							
Regional Office Bldg.	54,941	45,000	545,895	4,155,369		9.93	10.80
[.183]	(10,089)	(8,264)	(96,176)	(730,015)			
Public Safety Bldg.	10,000	9,000	103,850	817,830		10.38	10.80
TOTALS FAIRBANKS	64,941	54,000	649,745	5,973,199	159,655		
<u>Kenai</u>							
Combined Facility	33,000	21,400	314,606	2,302,185	*61,826	9.53	9.60
[.068]	(2,237)	(1,451)	(20,465)	(150,286)			
<u>Kodiak</u>							
Regional Office Bldg.	18,353	15,600	146,009	1,074,890	31,362	7.96	9.60
[.051]	(945)	(804)	(7,221)	(52,626)			

2/20/72

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